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ABSTRACT

Second in the Select Committee on Children, Youth, and Families' national child care initiative, this hearing explored the entire range of issues surrounding child care in order to develop a set of specific recommendations for Congress. Appearing before the committee were representatives of corporations and voluntary agencies in Texas that have devised innovative ways to make child care more available for millions of working families and their children. The cooperative public-private solutions they have crafted include corporate development funds, city and county-supported vendor-voucher programs for family- and center-based care, resource and referral services, and after-school programs. Described are such programs as (1) child care services of the Southland Corporation and (2) Austin Families, Inc., a nonprofit oranization formed to develop resources for working parents and their children. The hearing record also includes a publicity flyer describing The Avance (Avan-sey) Educational Programs for Parents and Children; the Texas Department of Human Resources' Parents' Guide to Registered Family Homes (Form 2916, December, 1982); the report and recommendations of the Child Care Total Involvement Team of the Lincoln National Corporation; a description of programs of Neighborhood Centers, Inc.; and a United Way of Texas report on child day care in Texas. (RH)

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CHILD CARE: EXPLORING PRIVATE AND PUBLIC SECTOR APPROACHES

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HEARING

BEFORE THE

SELECT COMMITTEE ON
CHILDREN, YOUTH, AND FAMILIES
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

HEARING HELD IN IRVING, TX, ON
MAY 21, 1984

Printed for the use of the
Select Committee on Children, Youth, and Families

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CHILD CARE: EXPLORING PRIVATE AND PUBLIC SECTOR APPROACHES

MONDAY, MAY 21, 1984

House of Representatives,
Select Committee on Children, Youth, and Families,
Irving, TX.

The committee met, pursuant to call, at 9:45 a.m., at the Zale Corp., Irving, TX, Hon. George Miller (chairman of the committee) presiding.

Members present: Representatives Miller and Bliley.

Staff present: Ann Rosewater, deputy staff director; Jill Kagan, research assistant, and George Elser, minority counsel.

Chairman **Miller**. The Select Committee on Children, Youth, and Families will come to order.

Today's hearing is the second in the Select Committee on Children, Youth, and Families' national child care initiative. Through this bipartisan effort we hope to explore the entire range of issues surrounding child care, and develop a set of specific recommendations for Congress.

I am especially pleased that the committee has come to Dallas. The Texas corporations and voluntary agencies we will hear from today have devised innovative ways to make child care more available for millions of working families and their children. The cooperative public-private solutions they have crafted are unique, and will give the committee critical guidance as it proceeds. These approaches include corporate development funds, city and county-supported vendor-voucher programs for family- and center-based care, resource and referral services, and after-school programs.

Each of the programs we will hear about stand out in their fields. Unfortunately, the gap between these pioneering efforts and the need remains staggering.

[Opening Statement of Chairman George Miller follows:]

Opening Statement of Hon. George Miller, a Representative in Congress From the State of California, and Chairman, Select Committee on Children, Youth, and Families

Today's hearing is the second in the Select Committee on Children, Youth, and Families' new national child care initiative. Through this bipartisan effort to explore the range of issues surrounding child care, the Committee intends to develop a set of specific recommendations to Congress for improving child care services across the nation.

I am especially pleased that the Committee has come to Dallas. The Texas corporations and voluntary agencies testifying today represent vanguard efforts to devise ways to make child care more available for millions of working families and their children. The cooperative public-private solutions they have crafted are unique, and will give the Committee critical guidance as it proceeds. These approaches include corporate development funds, city and county supported vendor-voucher programs for family- and center-based care, resource and referral services, and after-school programs.

Each of the programs we will hear about stand out in their fields. Unfortunately, the gap between these pioneering efforts and the need remains staggering.

In fact, in Texas alone, we will learn that there are 500,000 preschool children whose mothers work, and only 100,000 licensed child care slots. Only 8 percent of the 200,000 income eligible children in the state receive needed child care services. Even as the state has identified more and more family day care homes, the combination of these arrangements and center and school-based programs remains inadequate.

In virtually every type of program available, waiting lists are common and overflowing. Even in this impressive new facility at the Zale Corporation, 25 infants remain on a waiting list. Another 300 children, two-thirds of whom are under the age of 3, are on the waiting list for a nearby Dallas church-sponsored program.

We are compelled to ask just what is happening to the children and families who are waiting? And what of those who have not been placed on anyone's list?

Child care is an essential tool for remedying many problems faced by families across the economic and social spectrum. It provides the foundation for women to become economically self-sufficient. It helps reduce job turnover, and improve productivity. It offers development opportunities for all children. For so-called "latchkey" children who would otherwise be left alone after school, child care provides opportunities for supervision and safety. And child care serves as a preventive approach for parents at risk of abusing their children who, all too often, then became candidates for costly foster care.

As we pursue this national discussion, we are open to every possible approach—whether public or private; federal, state or local. We will examine employer-sponsored benefits, direct public expenditures, the tax code, and various combinations of these mechanisms. Volunteer, school and church-based initiatives will all be included in our review.

A consensus on the need to expand child care services is clear. Now it is time to develop strategies to assure this most basic family support is affordable and available.

Chairman MILLER. I would also, on behalf of the committee, like to thank the Zale Corp. for all of their help in putting together this hearing and also for their pioneering efforts in providing child care services to their employees.

Congressman Bliley and myself just had an opportunity to walk through the child care center here, and I must say it is a very impressive operation that they have.

Our first witness will be Ben Lipshy, the immediate past president of the Zale Corp. board.

Mr. Lipshy.

STATEMENT OF BEN LIPSHY, CHAIRMAN EMERITUS, ZALE CORP.

Mr. LIPSHY. I am really not a witness.

My name is Ben Lipshy and I am the chairman emeritus of the Zale Corp. My duty this morning is to welcome this illustrious group to Dallas and to our company. I hope you have a pleasant stay while in our vicinity, that you enjoy the use of this building. If there is anything we can do to make your meeting more comfortable, feel free to call upon us.

If any of you need your watch reset since you are now on Dallas time, we will be happy to arrange that for you. We are willing to cooperate in anything that you wish to have done while you are here in Dallas and in our building.

Chairman MILLER. Thank you.

Mr. Bliley?

Mr. BLILEY. I join the chairman in thanking you, Mr. Lipshy and members of the Zale family, corporate family, for the hospitality that you are showing us today and for what you have done in the way of example for other corporate citizens around this country in addressing a need that is growing throughout the country.

Mr. **Lipshy**. Thank you very much.

Chairman **Miller**. Thank you.

Our first panel will be made up of Roberta Bergman, executive for resource development, Child Care Dallas, accompanied by Wayne Snyder and Kathleen McNemar, child care coordinator, Houston Committee for Private Sector Initiatives, accompanied by Becky Graham; and Bruce Esterline, former executive director, Corporate Child Development Fund for Texas, Austin.

The committee thanks you for helping us. If you have a written statement, it will be included in the record in its entirety and feel free to proceed in the manner with which you are most comfortable.

Miss Bergman, we will start with you.

STATEMENT OF ROBERTA L. BERGMAN, EXECUTIVE FOR RESOURCE DEVELOPMENT, CHILD CARE DALLAS

Ms. **Bergman**. Child Care Dallas, a United Way affiliate, operates 8 neighborhood-based child care centers, a network of 50 family day homes, a voucher program, and an HHS-funded demonstration project of infant and toddler care for corporate employees. On any given day, we have the capacity to serve over 1,100 children in these programs. We are currently developing an employer-sponsored child care resource and referral system which will have the capacity to provide comprehensive information on child care to parents throughout Greater Dallas.

Child Care Dallas began when a group of concerned Dallas women arranged for a day care center to be built to serve children of women working in the cotton mills. The founding mothers passed the hat among their friends each year to raise the funds needed to establish and operate first that center, and then two more. By 1918, Child Care Dallas had been taken under the wing of a United Way predecessor to provide a broader base of community support and to allow the agency to grow in response to growing needs.

In 1971, Child Care Dallas was sought out to develop the pilot contract in the State of Texas for federally supported child care. That title IV-A contract, later replaced by title XX, enabled us to leverage our United Way dollars to provide services to more children and equally important, to offer a level of service that contributed significantly to the children's development and the ability of their parents to become self-sufficient.

With the conversion from title XX to the block grant system, we lost about half of the Federal funds we had been receiving. That would have meant half of our child care spaces lost as well, a situation that was not unique to Dallas. What was unique to Dallas was that the United Way made up all of the lost Federal funds so that no children were put out of care.

But even with this unprecedented level of community support, Child Care Dallas still serves only a fraction of the families who are in need of subsidized child care. Moreover, in Dallas, as in other communities, the ability to pay for good child care does not mean that a parent can find it. Good child care is in short supply for families at all income levels. We believe that we are facing a child care crisis in the eighties that will be, in its way, similar to the energy crisis in the seventies and that we need to apply the same vigor to solving it.

Two years ago, Child Care Dallas received a discretionary grant from HHS to develop and demonstrate an employer-assisted family day home system as a new approach to solving the severe shortage of quality care for infants and toddlers. We felt at the time that a family day home system would offer distinct advantages to employers since it requires a minimum investment of time and capital and offers maximum responsiveness to employee needs. We saw this as a way to increase the number of child care spaces in the community through an innovative public/private/voluntary partnership.

The demonstration has been successful. The program works. Indeed, the idea of family day homes has had appeal to companies that have been considering child care for employees but cannot provide on-site child care. It has had appeal to those companies that are concerned with the specific need for infant care—companies who have substantial investments in women employees who find themselves unable to return to work after maternity leave for lack of child care.

To parents in the six companies currently participating in the program, it has provided an excellent child care option.

The Federal grant which has paid the initial development and management cost spurred the participation of employers who would not have otherwise become involved in a new venture of this sort. The partnership worked.

But there is another side to this story. Six Dallas companies are participating in this program. Twenty-one who actively considered it decided not to participate in this or any other form of employer-assisted child care. Another 31 employers who were contacted because they seemed to fit the profile of potential participants would not even consider it. Still another eight companies have been actively considering the program . . . and considering it . . . and considering it. Despite their real interest, child care is simply not a priority for them, and it sits on the back burner.

This experience tells us that, barring some startling development, it would be very unrealistic to assume that the corporate sector is going to play an immediate or major role in resolving the child care crisis. There are still a lot of barriers to overcome. Many executives do not recognize that child care is a concern for their employees. The need for child care is often kept secret, perhaps analogous to a health problem that an employee thinks might be perceived as an obstacle to advancement.

Even those executives who acknowledge that child care might be a problem for some employees are often unwilling to commit corporate resources to solving the problem, either because there are relatively too few employees with the problem to justify addressing the need or too many employees with the problem for the company to afford it. Others balk at the cost of providing child care of high quality, opting instead for solutions that perpetuate the low standards that are pervasive in the child care industry. Still others say that their business is business, not child care; "Let somebody else do it."

The examples of employer involvement here in Dallas are notable. They should be replicated elsewhere, and they probably will be. But can child care become as universally accepted a beneift as is health insurance? It is clearly more work related. Will corporate planners and industrial developers recognize that child care is as much an issue of access to the workplace as is public transportation? We think that is not likely to happen soon or, at least, not soon enough.

In the meantime, while we continue working at the local level to make it happen, we must have public policy which will address the impending crisis. We need policy recommendations which do not seek to diminish the role of government but rather to redefine it. Private initiatives and public/private partnerships must be encouraged, but they are only a segment of public policy. They do not substitute for responsible government. There will be a continuing critical need for broad public policy and for public dollars to support a variety of policy options, including direct child care subsidies for our poorest families, meaningful tax credits for working parents, and powerful tax incentives for employers.

The elements of sound public child care policy are not a mystery. We know what young children need in order to grow and develop. We know that families want an array of child care options to choose from in order to best meet the needs of different age groups at different times in different settings. We know that cost is pivotal to parents' ability to make satisfactory child care arrangements. Above all, we know that something must be done. We cannot hope that somebody else will do it because, if we take that gamble, we risk the possibility that no one else will do it.

Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Roberta L. Bergman follows:]

PREPARED STATEMENT OF ROBERTA L. BERGMAN, EXECUTIVE FOR RESOURCE DEVELOPMENT, CHILD CARE DALLAS, DALLAS, TX

Child Care Dallas is pleased to have this opportunity to share some views on child care with the committee—views that reflect our past as an 83-year-old agency which has traditionally provided subsidized child care for low income families, and views that reflect our vision of the future as we develop new resources in response to the changing environment in which we work.

Child Care Dallas, a United Way affiliate, operates eight neighborhood based child care centers, a network of fifty family day homes, a voucher program, and an HHS-funded demonstration project of infant and toddler care for corporate employees. On any given day, we have the capacity to serve over 1,100 children in these programs. We are currently developing an employer-sponsored child care resource and referral system which will have the capacity to provide comprehensive information on child care to parents throughout Greater Dallas.

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Even with this unprecedented level of community support, Child Care Dallas still serves only a fraction of the families who are in need of subsidized child care. Moreover, in Dallas (as in other communities) the ability to pay for good child care does not mean that a parent can find it. Good child care is in short supply for families at all income levels. We believe that we are facing a child care crisis in the 80's that will be, in its way, similar to the energy crisis in the 70's, and that we need to apply the same vigor to solving it.

Two years ago Child Care Dallas received a discretionary grant from HHS to develop and demonstrate an employer-assisted family day home system as a new approach to solving the severe shortage of quality care for infants and toddlers. We felt at the time that a family day home system would offer distinct advantages to employers since it requires a minimum investment of time and capital and offers maximum responsiveness to employee needs. We saw this as a way to increase the number of child care spaces in the community through an innovative public/private/voluntary partnership.

The demonstration has been successful. The program works. Indeed, the idea of family day homes has had appeal to companies that have been considering child care for employees but for valid reasons cannot provide on-site child care. It has had appeal to those companies that have been concerned with the specific need for infant care—companies who have substantial investments in women employees who find themselves unable to return to work after maternity leave for lack of child care. To parents in the six companies currently participating in the program, it has provided an excellent child care option. The federal grant which has paid the initial development and management cost spurred the participation of employers who would not have otherwise become involved in a new venture of this sort. The partnership worked.

But there's another side to this story. Six Dallas companies are participating in this program. Twenty-one who actively considered it decided not to participate in this or any other form of employer-assisted child care. Another thirty-one employers who were contacted because they seemed to fit the profile of potential participants would not even consider it. Still another eight companies have been actively considering the program . . . and considering it . . . and considering it. Despite their real interest, child care is simply not a priority for them, and it sits on the back burner.

Our experience tells us that, barring some startling development, it would be very unrealistic to assume that employers are going to pay an immediate or major role in resolving the child care crisis. There are still a lot of barriers to overcome. Many executives do not recognize that care is a concern for their employees, because parents fear losing a competitive edge for higher paying jobs or losing their current jobs if they admit to having child care problems. The need for child care is often a secret, perhaps analogous to a health problem that an employee thinks might be perceived as an obstacle to advancement.

Even those executives who acknowledge that child care might be a problem for some employees are often unwilling to commit corporate resources to solving the problem, either because there are relatively too few employees with the problem to justify addressing it or too many employees with the problem for the company to afford it. Others balk at the cost of providing child care of high quality, opting instead for solutions that perpetuate the low standards that are pervasive in the child care industry. Still others say that their business is business, not child care; "let somebody else do it".

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STATEMENT OF WAYNE SNYDER, CORPORATE MANAGER OF EMPLOYEE SERVICES, THE SOUTHLAND CORP.

Mr. SNYDER. I am just going to make informal comments rather than a formal reading.

Our interest comes out of a couple of things we see happening in our society, particularly in Dallas. One is the very, very high divorce rate and the resulting increase in the number of single-parent families and therefore the need for child care. It also comes out of an observation that a lot of people are coming to us with dual careers, both wanting to work. In fact, one young lady, an accountant, came to work for us and said specifically, "I joined Southland because you have a child care service for my child of 6 months." So our program is coming out of a specific need.

Our first effort in terms of meeting that need was our work with Roberta Bergman working on that project, providing infant care in private homes. This seemed to be a very good initiative because in my conversation with the young ladies, they are very concerned how that child is going to be taken care of in the tender third, fourth, or fifth month. So this seemed a good thing, to have a private home, interview with the mother, see the facilities, get an intuitive sense of what that woman is like, and that interest that the company showed and the time they took with our people was meaningful having that mother pick that home.

We also are providing a hotline where a mother who may lose a particular resource in terms of a child care provider can call on the hotline and they can give their ZIP Code and with the computer-based data, the company can give a list of two or three child care centers in the community who can meet the need. We know the need is there.

As I comment in my report to you, in a sense we don't have the option to ignore child care. It is here and it is here to stay. So other things we are doing as a corporation, we are beginning, in fact, we are going to open our first child care center in the basement of a church week after next. It will accommodate 30 children. It is a brand-new experiment. We have no idea of where it will go. This is a division of ours who took the initiative without waiting for us to prod them. They saw the need.

We are going to have a larger child care center when we open up our new corporate office—I guess December of 1986—and it will accommodate 120 children. So we are going to have those two initiatives going.

We plan to encourage all our 40 field divisions to do that. We recognize that the need is there. We have to make it available around the country, not just in one or two locations.

If I may make a closing observation. We see the problem of supporting families and children as including four other issues.

One is an employee assistance program; in other words, a counseling service for employees which we have just installed.

Two, is a "Wellness" education program making them aware of things they can do to help themselves. We have had several courses in stress management. Sixty-one percent of our people in a survey wanted a course in stress management; 45 percent wanted a course in weight control. A smaller group requested a course in smoking cessation. That was the smallest request for a course.

We feel there is a need for physical fitness. We began thinking about that about 1½ years ago. One of our division managers in Tampa, FL, has taken over an old, closed 7-Eleven store and turned that into a minifitness center with Nautilus equipment and space for aerobic exercises.

We are getting into preretirement planning; don't wait until 64 years 9 months and 3 days and give him the ring or the watch and send him on his way. So we are beginning employee assistance, child care, wellness education, fitness centers, and preretirement planning as a way of meeting perhaps the broader needs of the employee.

The response from our folks has been great. They appreciate it. They know we are serious about helping them out. I think we will see lower absenteeism and higher morale and greater productivity and both will win—the employer and the company. The only thing I would ask of the committee would be if you would continue funding the research and funding the grants, because frankly if we hadn't had Roberta come to us and give us the opportunity to participate in that program, we probably wouldn't have tried it because it would have been too expensive and difficult to administer, and having someone come to us and say "We have a program organized, ready to go, would you join us and administer it for us and watch it and help us administer it correctly," because most corporations like mine have no experience in child care—if the committee could support that initiative, encourage other companies to try it out, make mistakes, pick it up and walk away and try again next time, I think that would help.

Thank you very much.

Chairman MILLER. Thank you.

[Prepared statement of Wayne J. Snyder follows:]

PREPARED STATEMENT OF WAYNE J. SNYDER, MANAGER, EMPLOYEE SERVICES, THE SOUTHLAND CORP.

Mr. Chairman and Members of the committee, The Southland Corporation is the world's largest operator and franchisor of convenience stores and the nation's 11th largest retailer. There are 60,000 employees nationwide and 7,300 convenience stores in every major market throughout the United States.

Our interest in child cares comes out of a long history of concern for the needs of our people, beginning as far back as 1949 when we initiated the Employee Profit Sharing Plan.

As we have observed our people and their changing needs, one of the significant changes has been the rapid increase in the divorce rate.[1] This has greatly increased the number of single parent families and therefore the pressing need for child care.

Still another change has been the growing number of dual career families where both the parents want to have the pleasure of gratifications of a satisfying career. The company's willingness to provide care for a young infant has been a significant factor in attracting professional personnel to the corporation. From a review of our personnel files, this is not an isolated need. Fully 95% of our ladies who went on maternity leave in 1983 returned to work within 8 weeks, after the baby's birth.

In a very real sense, we did not have the option of ignoring the child care issue. It's here and from all that we are able to see and study—it's here to stay.

Having observed these cultural/societal changes we began to carefully initiate programs to meet this need. Our first project was initiated with the help of Child Care Dallas. We are working with them under a government grant to determine the feasibility of providing child care for infants—in private homes. We currently have 16 employee-mothers in this program. It has worked extremely well and we therefore plan to continue this service.

A somewhat broader project has been the establishment of a child care hot-line. With the help of an outside consultant our employees can call 24 hours a day and receive help finding a new child care provider.

Southland understands that child care is going to be a significant need for our employees and we therefore are planning to:

1. Open our first field division, Child Care Center on June 5, 1984. It will be one of many that we feel will be opened over the next five years.
2. Our new corporate office (12/86) will have a large child care center that will accommodate approximately 120 children.

Because of the many ways in which our society continues to evolve and change the corporation has initiated four other programs to support child and family needs. I'll list them briefly and I'll be happy to comment on them in more detail—if the committee wishes.

1. We have established a formal Employee Assistance Program (E.A.P.). It provides our employees 24 hours-a-day counseling for any legal, financial or psychological problem.
2. We have initiated a corporate-wide "Wellness" Education Program. It provides seminars for our employees in stress management, weight control, smoking cessation, and marriage and family relations.
3. We have opened one mini-fitness center in a vacated 7-Eleven store. Two more centers are being planned for 1984. A large fitness center (35,000 s.f.) will be included in our new corporate office.
4. Two years ago we organized a Pre Retirement Planning program for all of our people age 55 or older.

In conclusion—Southland Corporation is confident that all these programs are needed by our people. Their positive response and enthusiastic acceptance convinces us that they appreciated this kind of support for their families. It benefits us as employers in terms of lowered absenteeism, higher morale, greater productivity—and it gives our employees some meaningful support and help as they strive to provide economic and emotional stability for their children.

We ask that your committee continue to encourage and fund research and grant programs (like the work being done by Child Care Dallas) that will get more corporations in child care initiatives.

[News release May 1984]

THE SOUTHLAND CORP.—A COMPANY PROFILE

The Southland Corporation, founded in 1927 in Dallas, Texas, is the world's largest operator and franchisor of convenience stores and the nation's 11th largest retailer.

Southland pioneered the convenience store concept during its first year of operation as an ice company when its retail outlets sold milk, bread and eggs as a convenience to customers.

Today, its 7,333 7-Eleven stores are located in 42 states, the District of Columbia and five provinces of Canada. They serve seven million customers every day. Each 7-Eleven store carries a product mix of 3,000 items including magazines, tobacco, soft drinks, beer, groceries, housewares and health and beauty aids. Other items such as fast foods are constantly being added.

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[1] Dallas unfortunately has the highest divorce rate in the U.S. Better than one of every two marriages ends in divorce.

Other retail operations include 302 Chief Auto Parts stores, 60 Gristede's and Charles & Co. food stores and sandwich shops in metropolitan New York and 39 Super 7 multi-pump self-service gasoline outlets. Southland International retail operations include 347 R S McColl confectionery, tobacco and news (CTN) stores in the United Kingdom, 47 7-Eleven/Naropet stores in Sweden and an equity interest in 42 Super Siete convenience stores in Mexico. Additionally, 7-Eleven stores are operated by area licensees around the world: 2,010 in Japan, 64 in Australia, 64 in Taiwan, 65 in Hong Kong, seven in Singapore, two in the Philippines and 506 in the United States.

Under Southland's Manufacturing and Distribution umbrella are its Dairies Group, one of the nation's major processors of dairy products marketed under 11 regional brand names, four Southland distribution centers, six fast food production facilities, the Chemical, Reddy Ice and Tidel Systems Divisions.

On Aug. 31, 1983, Southland acquired Citgo Petroleum Corporation from Occidental Petroleum Corporation. Citgo is the refining, marketing and transportation operations formerly owned by Cities Service Company, a subsidiary of Occidental. Citgo businesses include a refinery complex in Lake Charles, La., a 65 percent interest in the Cit-Con lubricants refinery, total or partial ownership in approximately 16,000 miles of crude oil and refined products pipelines and 32 refined product terminals.

In addition, Citgo's retail business includes 354 Quik Mart gasoline/convenience store units. Its wholesale business supplies gasoline and other products to distributors serving 4,600 outlets, and provides jet fuel to a number of major airlines. Citgo will also supply gasoline to 7-Eleven stores. Self-service gasoline, now at 3,007 7-Eleven stores, represented 25.5 percent of store sales in 1983.

The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11 p.m. Today, approximately 95 percent of the stores are open 24 hours.

The neighborhood stores are operated by Southland under an updated and modernized concept of the "Mom and Pop" stores. Forty percent of the stores are operated by franchisees; many are couples whose families also work in the store.

Typical 7-Eleven stores are suburban drive-in stores with parking, but 7-Eleven also operates "city stores" in urban neighborhoods in Queens, Brooklyn, Philadelphia, Boston, Seattle and San Francisco.

John P. Thompson, Southland's chairman of the board and chief executive officer, Jere W. Thompson, president, and Joe. C. Thompson, Jr., senior executive vice president, are the sons of the late Joe C. Thompson, who as a young ice company executive started the convenience store idea in 1927.

Southland's total revenues for 1983 were $8.81 billion. The company has established an excellent growth record with a 23.3 percent compound growth rate in revenues and an 18.6 percent compound growth rate in earnings per share during the past five years.

Southland and its 7-Eleven stores are a major sponsor of the 1984 Olympic Games in Los Angeles, and have built an Olympic stadium, the 7-Eleven Velodrome, for the cycling events as well as a second training velodrome near the United States Olympic Committee Training Center in Colorado Springs, Colo.

The company and its 60,261 employees are active in social awareness and community endeavors throughout the country. Southland, as a sponsor of the annual Jerry Lewis Labor Day Telethon for the Muscular Dystrophy Association, has raised more than $30 million for the campaign in eight years, the largest amount raised by a corporate sponsor.

Southland Dairies were the first corporate sponsor of the March of Dimes and since 1978 have sponsored the annual Mothers March for Birth Defects. The 7-Eleven stores became the first national sponsor for March of Dimes' WalkAmerica in 1981.

Chairman MILLER. Miss McNemar.

STATEMENT OF KATHLEEN McNEMAR, CHILD CARE COORDINATOR, HOUSTON COMMITTEE FOR PRIVATE SECTOR INITIATIVES

Ms. McNEMAR. The Houston Committee for Private Sector Initiatives became involved in the latch-key issue at a time when evidence surfaced about the vast numbers of unsupervised children on the streets after school and the dearth of programs available to solve the problem. It was appropriate for the Private Sector Initiatives to focus on this issue, as the latch-key child is generally a product of working parents, particularly lower-income working families.

The Child Care Subcommittee of the Houston committee developed a low-cost, affordable model for after-school programs to be housed in public school facilities. Through a cooperative arrangement with the Houston Independent School District, after-school programs were to be operated by a licensed child care agency in the communities. The programs would be supported financially by parent fees and initially subsidized by the HCPSI until it could become self-supporting. Using public school facilities and child care workers rather than certified teachers being used, the operating costs would be substantially lower.

The model developed by the committee provides an enrichment program rather than an extended educational day. A wide variety of activities and choices are offered the children. Volunteers are used extensively to provide additional enrichment experiences and individual attention. A model has now been demonstrated for over a year.

Our plans to expand into other interested schools have been put "on hold" temporarily by Houston Independent School District's announcement of plans to begin expansion of its own extended educational programs in 17 elementary schools in the fall of 1984. We are waiting anxiously to see how this program progresses in the fall.

We believe that the community still needs to make choices about how these programs are going to be funded, either through parent fees or ad valorem taxes and programming, either educational, enrichment, or a combination of both; and three, parent involvement in program planning.

The corporate world in Houston has remained uncommitted to providing child care benefits to its employees except through corporate donations to United Way, which sets high priority on child care services mostly to low-income working families.

For corporations, frankly, child care is not a pressing issue. In Houston, partial explanations for this are the economic problems experienced by the energy-related industries and the depressed economy. Companies are looking for ways to reduce costs of doing business and certainly, benefit packages are one important area of concern in which to lower or control costs.

Child care benefits are usually thought of as one way in which to entice potential employees, but Houston companies have been laying off employees for the last two years rather than trying to find ways to attract and hold employees.

Further, the working parent is just now beginning to look to the company as having a possible role to play in solving child care problems. Companies in Houston who researched the problem several years ago found no great need or demand from their employees for subsidy of child care. Judging from the number of calls I have received from employees in the last few months, however, I believe there has been a change in perception on the part of employees as to whether employers have a role in helping solve child care problems.

I believe that employers are generally unaware that child care is a problem for its employees. In Houston, child care is readily available but unaffordable for many working families. Infant care is still very difficult to find and quality of care is a serious problem.

HCPSI is contracting with Work/Family Directions under a grant from a still confidential company to provide a new service in Houston—a child care resource and referral. This is a significant step for us as it represents the first major company effort to provide funding for child care benefits to its employees. Further, the CCR&R represents a significant linkage between the private and public sector because the service will be housed in the Houston Public Library Community Information Service. The grant from the company will be used to enhance the computerized child care information and provide staff to work with the company employees to help them select good child care options for their families and to become more knowledgeable consumers of child care. Child care quality should improve in the community when parents shop for and demand quality care for their children.

This company has taken a first step which we believe other companies will choose to follow. Not only will families be helped to be better consumers of child care, but providers of care will have better knowledge of where and what the child care needs are.

The general consensus in the community is that child care benefits will become more common when companies move into flexible benefit packages. This should begin happening in Houston by 1986. Employees will have to give up something in order to get child care benefits. This is because child care is not a need experienced by a large percentage of the employee group, according to the employee benefits people.

The Federal Government's decision about tax credits and the IRS ruling on flexible spending accounts will play a major role in whether companies add child care benefits to their fringe packages. This is a far more appropriate way for the government to aid families in the middle-income range. A refundable tax credit would, of course, aid the lower middle-income wage earner more.

The Federal Government will of necessity need to continue providing subsidy through block grants to states to aid workers who can only access minimum and hourly wage jobs or jobs in small businesses which offer no fringe packages. That group of workers makes up about 80 percent of the work force around here.

We appreciate the efforts the Federal Government has taken to research the problem of child care for working families. The corporate world will be better able to do its part due to the recent changes in the tax laws. The financing of child care will continue to need subsidy from the public and private sectors, particularly if we are ever able to deal with the quality of care issue.

Thank you.

Chairman MILLER. Thank you.

[Prepared Statement of Kathleen McNemar follows:]

PREPARED STATEMENT OF KATHLEEN MCNEMAR, CHILD CARE COORDINATOR, HOUSTON COMMITTEE FOR PRIVATE SECTOR INITIATIVES, HOUSTON, TX

The Houston Committee for Private Sector Initiatives (HCPSI) became involved in the latch-key issue at a time when evidence surfaced about the vast numbers of unsupervised children on the streets after school and the dearth of programs available to solve the problem. It was appropriate for the Private Sector Initiatives to focus on this issue, as the latch-key child is generally a product of working parents, particularly lower income working families.

The Child Care Sub-Committee developed a low cost, affordable model for after school programs to be housed in public facilities. Through a cooperative arrangement with Houston Independent School District, after-school programs were to be operated by a licensed child care agency. The programs would be supported finanically by parent fees and initially subsidized by the HCPSI. Using public school facilities and child care workers rather than certified teachers being used, the operating costs would be substantially lower.

The model developed by the Committee provides an enrichment program rather than an extended educational day. A wide variety of activities and choices are offered the children. Volunteers are used extensively to provide additional enrichment experience and individual attention. A model has now been demonstrated for a year in one elementary school.

Our plans to expand into other interested schools have been put "on hold" temporarily by Houston Independent School District's announcement of plans to begin expansion of its own extended educational programs in sixty-eight elementary schools in the fall of 1984. Whether the programs are designed to meet only the educational needs of the students or those working families as well, is yet to be seen. But we are encouraged to see the school district begin to address the problem at some level.

We believe the community still needs choices about (1) funding of after-school programs, either through parent fees or ad valorem taxes and (2) programming, either educational, enrichment, or a combination of both and (3) parent involvement in program planning.

The Corporate world in Houston has remained uncommitted to providing child care benefits to its employees except through corporate donations to United Way which sets high priority on child care services to low income working families.

For corporations, child care is not a pressing issue. In Houston, partial explanations for this are the economic problems experienced by the energy industries and the depressed economy. Companies are looking for ways to reduce costs of doing business and certainly, benefit packages are one important area of concern in which to lower or control costs.

Child care benefits are usually thought of as one way in which to entice potential employees but Houston companies have been laying off employees for the last two years rather than trying to find ways to attract and hold employees.

Further, the working parent is just now beginning to look to the company as having a possible role to play in solving child care problems. Companies in Houston who researched the problem several years ago found no great need or demand from their employees for subsidy of child care. Judging from the number of calls I've received from employees in the last few months however, there has been a change in perception on the part of employees as to whether employers have a role in helping solve child care problems.

There is the belief that employers are generally unaware that child care is a problem for its employees. In Houston, child care is readily available but unaffordable for many working families. Infant care is still difficult to find and quality of care is a serious problem.

HCPSI is contracting with Work/Family Directions under a grant from a still confidential company to provide a new service in Houston—a Child Care Resource & Referral. This is a significant step for us as it represents the first major company effort to provide funding for child care benefits to its employees. Further, the CCR&R represents a signficant linkage between the private and public sector because the service will be housed in the Houston Public Library Community Information Service. The grant from the company will be used to enhance the computerized child care information and provide staff to work with the company employees to help them select good child care options for their families and to become more knowledgeable consumers of child care. Child care quality should improve in the community when parents shop for and demand quality care for their children.

This company has taken a first step which we believe other companies will choose to follow. Not only will families be helped to be better consumers of child care but providers of care will have better knowledge of where and what the child care needs are. Companies will gain better information about their employee child care needs through a cautious first step which could lead to decisions to do more in the area of child care benefits.

The general consensus is that child care benefits will become more common when companies move into flexible benefit packages. This should begin happening in Houston by 1986. Employees will have to give up something in order to get child care benefits. This is because child care is not a need experienced by a large percentage of the employee group.

The federal government's decisions about tax credits and the IRS ruling on flexible spending accounts will play a major role in whether companies add child care benefits to their fringe packages. This is a far more appropriate way for the government to aid families in the middle income range. A refundable tax credit would of course aid the lower middle income wage earner more.

The federal government will of necessity need to continue providing subsidy through block grants to states to aid workers who can only access minimum and hourly wage jobs or jobs in small businesses which offer no fringe packages. That group of workers makes up about 80% of the work force.

We appreciate the efforts the federal government has taken to research the problem of child care for working families. The corporate world will be better able to do its part due to the recent changes in the tax laws. The financing of child care will continue to need subsidy from the public and private sectors particularly if we are ever able to deal with the quality of care issue.

STATEMENT OF BECKY GRAHAM, PARENT

Ms. GRAHAM. My name is Becky Graham and I am a working parent. I have joined the growing rank of mothers, who for one reason or another, have gone back into the work force. Some had a free choice in the matter and others did not. Unfortunately, I fell into the latter category. Although I had plans when my children were all in school to attend college for a law degree and then pursue my career, my choice was made for me earlier than expected.

I was left with total emotional and financial support for myself and three active young children. Believe me, at the time it seemed extremely overwhelming.

My initial responsibility was to get a job which, in itself, proved to be very discouraging at times. Since I had been out of the work force for 5 years, my skills needed some improvement, yet I needed a position with a company that offered good benefits and a salary which would cover at least the bare necessities. Luckily, through a good friend, I obtained a secretarial position with a large corporation that offered good benefits, a good starting salary and the chance for eventual promotion.

My second and biggest responsibility was to find good, quality day care, yet keep the cost as minimal as possible. My two younger children, ages three and five, are with a private individual at a cost of $300 per month. The reason I chose an individual was to help ease them into an "all day without mommie" situation and also to ease my mind from a little less worry. My oldest child, age nine, is in an "after- and before-school program" at a local day care center. This cost is $116 per month, which includes transportation to and from school.

When I first started work, my bring-home pay was $952 per month, which is approximately $476 per pay check. As you can see, my total child care cost is $416 per month which almost absorbs one whole paycheck. With my remaining $536, I am expected to pay utilities, groceries, housing, transportation—car and gasoline—clothing, and all other usual necessities.

This all prompted me to start doing some research on child care being incorporated by some individual corporations. I wanted initially to present information to my company about an "in-house" center, but through my research found this would almost be an impossibility because of our city and fire codes.

Our city library was a great source of information to me. This type of information is in such great demand, the library is starting a new department just to handle all the inquiries. They gave me names to contact and various sources of information to obtain so I could look into alternatives corporations may offer their employees.

I obtained articles from newspapers and a woman, Ms. Kathleen McNemar, with the Private Initiative Sector, was a great source of help to me. One newspaper article in particular secured my feelings about corporations getting involved. It stated President Reagan was encouraging the "private sector" to take responsibility for social programs. As I said earlier, there are many alternatives ranging from referral services all the way to actually starting a day- care center, which eventually could become self-supporting.

The research package I presented to my company was, in fact, turned down. They concluded through a "brief" study that while the benefit appeared to be a good one, the number of people that would utilize such a service was relatively narrow and it would not be cost effective.

In the presentation, I tried to show them the various options and the positive side to this type of benefit. I had statistical proof that it lowered absenteeism and lateness, which in turn, showed an increase in productivity. This mainly due because the worrisome aspect of this decreased knowing their children were being well taken care of. If an employer could incorporate this into their employee benefit package, it could be a good recruitment tool for quality personnel and reduce the turnover rate.

The biggest fear we should be concerned with is children being left alone. Frustrated parents either make too much money for a Government subsidy program, or the programs are unavailable. At the same time, these parents cannot afford the high price of private child care, so they are making the decision to allow their children to assume self-care.

Of course, you can imagine the problems that will or have arisen from this type of care. Children may become fearful, lonely, bored, confront strong pressure to grow up more rapidly, television abuse, which could result in low academic performance, juvenile crime, drugs, and alcohol. There are only a minimal amount of problems children could face while staying alone at home.

I hope that I will be fortunate enough to not resort to this unfavorable option. Children have a hard enough time growing up and confronting situations in our society without this added problem. You must also try to envision the guilt this puts upon a parent. It would easily lead them to frequently become angry and frustrated. The constant worry they live with would definitely decrease their attention span at work all day long.

At this time, I have just received a promotion and an increase in salary. I am still faced with the daily dilemma of "making ends meet" as everyone is with the cost of inflation.

I hope to be able to bring forth my future plans of college and a law degree and even more future plans for my children. They are foremost in my life and this issue is very important to them as well as myself.

Even though I was initially turned down by my company, I will continue to support and fight for this very important issue.

Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Becky Graham follows:]

PREPARED STATEMENT OF BECKY GRAHAM, PARENT

My name is Becky Graham and I am a working parent. I have joined the growing rank of mothers, who for one reason or another, have gone back into the work force. Some had a free choice in the matter and others did not. Unfortunately, I fell into the latter category. Although I had plans when my children were all in school to attend college for a law degree and then pursue my career, my choice was made for me earlier than expected.

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In the presentation I tried to show them the various options and the positive side to this type of benefit. I had statistical proof that it lowered absenteeism and lateness, which in turn, showed an increase in productivity. This mainly due because the worrisome aspect of the decreased knowing their children were being well taken care of. If an employer could incorporate this into their "Employee Benefit Package", it could be a good recruitment tool for quality personnel and reduce the turnover rate.

The biggest fear we should be concerned with is children being left alone. Frustrated parents either make too much money for a government subsidy program, or the programs are unavailable. At the same time these parents cannot afford the high price of private child care, so they are making the decision to allow their children to assume self care.

Of course, you can imagine the problems that will or have arisen from this type of care. Children may become fearful, lonely, bored, confront strong pressure to grow up more rapidly, television abuse (which could result in low academic performance), juvenile crime, drugs and alcohol. These are only a minimal amount of problems children could face while staying alone at home.

I hope that I will be fortunate enough to not resort to this unfavorable option. Children have a hard enough time growing up and confronting situations in our society without this added problem. You must also try to envision the guilt this puts upon a parent. It would easily lead them to frequently become angry and frustrated. The constant worry they live with would definitely decrease their attention span at work all day long.

At this time I have just received a promotion and an increase in salary. I am still faced with the daily dilemma of "making ends meet" as everyone is with the cost of inflation.

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Even though I was initially turned down by my company, I will continue to support and fight for this very important issue.

STATEMENT OF BRUCE ESTERLINE, FORMER EXECUTIVE DIRECTOR, CORPORATE CHILD DEVELOPMENT FUND FOR TEXAS

Chairman **MILLER**. Mr. Esterline.

Mr. **ESTERLINE**. I don't have enough copies of my remarks. I ran out of quarters at the Quick Print. I just didn't have enough quarters.

I am pleased though to testify about the work that the Corporate Child Development Fund has been doing in Texas to involve private industry in the support of child development progams for low-income working parents in the smaller towns and rural areas of the State. I am particularly glad you chose to hear about the Corporate Fund because so much of the discussion about corporate support for child care relates to what businesses are doing for their own employees.

While I commend these efforts enthusiastically, there are lots of people who don't work for employers who have the requisite resource and attitudes. I am talking about a single mother with two preschool children earning minimum wage working at a cafeteria. She grosses $600 a month and has to pay $250 of it for child care—or the 16-year-old unwed mother who needs child care so she can go back and finish high school. These are the people who need community-support child care—nonprofit child care centers that depend on private and public funds so they can offer low-cost care, usually based on a particular family's ability to pay. In the past, communities have looked to the Federal Government for much of their financial support. But with reductions at all levels of Government, local groups are asking the private sector, particularly corporations, to play a larger role than before.

In small towns and rural areas, the lack of sufficient private resources make the problem even more difficult. It was precisely this kind of situation that resulted in the creation of the Corporate Child Development Fund for Texas.

You might ask why we would need a program like this in Texas with all its oil and its boom economy. Well, ours is a State of contrast; great wealth and considerable poverty. According to research done by the former Office of Early Childhood Development:

One million children live in poverty; half of these live in the four most economically depressed regions of the State, including the Rio Grande Valley, South Texas, and the Coastal Bend.

Texas has 500,000 preschool children whose mothers work and only 100,000 licensed day-care slots.

Ten percent of Texas counties have no medical doctor.

Although some fine child development programs do exist in Texas, only 8 percent, or 16,000 of the over 200,000 income-eligible children, receive needed child care services.

In recognition of these and other social problems, the Corporate Fund was established. It was conceived as a public/private partnership by the Levi Strauss Foundation in the great State of California and the Texas Department of Human Resources—our State social services agency. Both organizations had come to believe that it was important to have a mechanism in Texas to be in the business of generating private support to child care programs for low-income families in the rural parts of the State.

The Levi Strauss Foundation was aware of the needs of many rural communities because the parent company has more operating facilities in Texas than anywhere else, some 27 at the time, and most of them were in smaller towns or rural areas of the State.

The Department of Human Resources, as the agency responsible for administering the State's title XX social service funds allocation, was concerned that historically the small towns and rural areas were unable to produce the necessary local funds to match Federal and State funds and therefore did not participate in the publicly funded child care program.

Key executives of both these organizations get together and agreed to jointly establish an organization that would have as its primary purpose to raise funds from private industry which in turn would be directed to nonprofit child-caring agencies.

We have been at it for almost 5 years now and overall we are very pleased and encouraged by the response we have received from the Texas corporate community. We have 43 corporate and foundation sponsors, collectively contributing $150,000 to $200,000 year, and with the funds donated to the fund we have made grants to over 30 community-based programs serving more than 3,000 children.

To date, most of the local grants have been used to match State and Federal funds available through the Department of Human Resources, title XX funds. We calculated that the funds we have provided local child care agencies have earned over $1,000,000 in available public funds. Other grants have been made to purchase classroom and playground equipment and to renovate buildings when public funds could not be used for these purposes.

We also make scholarships available to child-care staff who are interested in improving their professional education. With grants from Target Stores, a divison of the Dayton-Hudson Corp. in Minneapolis, we have awarded more than $25,000 in scholarships to several hundred child-care workers. This year, for the first time, we are also offering to pay half of the cost of the Child Development Associate credential for a dozen selected CDA candidates in Texas. I believe that the Corporate Fund and Target are the only ones doing this in the entire country.

So I think you can see that we think that by linking private resources with existing public funds and programs, we feel we are helping to improve the lives of many Texas families.

As the executive director, I reported to a board of directors representing private corporations, a Texas foundation, and several early childhood professionals.

The administrative budget is approximately $70,000 a year. That pays the director's and a secretary's salary and related office expenses. The corporate fund now has 43 corporations and foundations contributing over $150,000 a year. A list of supporters will be provided to you. They include many oil companies, major retailers, banks, and insurance companies. The average corporate contribution is $4,000, and we are pleased that our corporate sponsors continue to repeat their annual participation.

We are often asked, "Why is your program working? What motivates your corporate support?" I can only guess at why people—and it does boil down to people—do what they do, but let me make the following observations:

One, major corporations as employers are, by this point in time, sensitive to the issues of day care for the working parent, usually a single mother. They recognize the same issues exist for the low-income working parent, the population we are trying to assist with subsidized child care.

Two, corporate donors regard our project as having employment benefits to the individual family served, to the community in which they live and to society at large.

Three, corporate donors also perceive that quality child care experiences will improve the intellectual and social development of the children served which may well result in their becoming mature, responsible and productive adults.

Four, corporate donors recognize and appreciate the fact that their dollar investment will in the short run generate additional public dollars and thereby maximize their impact on the problem.

Five, related to the leveraging of public funds, corporate donors are attracted to the consortium approach of private donors that we have established. The investment risk is shared among the various donors.

Six, the corporate donors are attracted to the rural and small town emphasis which allows their contribution to impact communities where they may have a comparatively small, nevertheless important, presence in a particular rural community.

Seven, it is also very important that the Texas Department of Human Resources, the state agency responsible for administering child care as a social service program, recognizes the role that private sector can play in the delivery of day-care services and has supported the Corporate Fund financially and coordinated with it programmatically. The State agency has elected to continue requiring that its local service-providing contractors contribute local funds to the financial mix of State and Federal funds for day-care services. This means that private resources will continue to be a critical component to the funding mix and maintains the incentive for developing private support at the community level.

To summarize then, the corporations we are working with like the idea of helping families at the local level where they have a corporate presence, and they like using a vehicle such as ours which does not involve another large bureaucracy and which emphasizes a businesslike approach to nonprofit services.

Thank you.

[Prepared statement of Bruce Esterline follows:]

Prepared Statement of Bruce Esterline, Founder and Former Director of the Corporate Child Development Fund for Texas, Based in Austin

Chairman Miller, Congressmen and distinguished guests, my name is Bruce Esterline, founder and former director of the *Corporate Child Development Fund for Texas*, based in Austin.

I am pleased to be asked to testify about the work we have been doing in Texas to involve private industry in the support of child development programs for low-income working parents in the smaller towns and rural areas of the state.

I have tried to organize my remarks around the objectives of the hearing. First, to give you a description of what we are doing; second, why we feel our efforts at stimulating private involvement have met with some success, and then third, how this program might serve as a model for other states and communities. You might ask why we would need a program like this in Texas with all its oil and its boom economy. Well, ours is a state of contrast; great wealth and great poverty. According to research done by the former Office of Early Childhood Development:

One million children live in poverty; half of these live in the four most economically depressed regions of the state (including the Rio Grande Valley, South Texas and the Coastal Bend).

Texas has 500,000 preschool children whose mothers work and only 100,000 licensed day care slots.

10 percent of Texas counties have no medical doctor; 75 percent have no obstetrician-gynecologist.

The illiteracy rate in Texas is nearly double that of the rest of the nation.

The rates of divorce, illegitimate births, child abuse and juvenile crime are increasing dramatically.

Although some fine child development programs do exist in Texas, only 8%, or 16,000 of the over 200,000 income-eligible children, receive needed child care services.

In recognition of these and other social problems, the Corporate Fund was established. It was conceived as a public-private partnership of the Levi Strauss Foundation from the great state of California and the Texas Department of Human Resources (our state social services agency). Both organizations had come to believe that it was important to have a mechanism in Texas to be in the business of generating private support to child care programs for low-income families in the rural parts of the state. The Levi Strauss Foundation was aware of the needs of many rural communities because the company has more operating facilities in Texas than anywhere else, some 27 at the time, and most of them were in smaller towns or rural areas of the state. The Foundation had received many requests for funds from local child care programs but recognized that it could hardly respond to every request that came along. The Department of Human Resources is responsible for administering the state's Title XX social service funds allocation. In 1979, the federal government required a state match of 25% for every federal dollar. The DHR in turn required that local communities come up with most of that matching dollar. Historically, the small towns and rural areas were unable to produce the necessary matching funds and therefore did not participate in the publicly funded child care program.

So, you see, we had two organizations, one public the other private, both concerned with difficulties of support for day care in certain parts of the state. Key executives of both organizations got together and agreed to jointly establish an organization that would have as its primary purpose to raise funds from private industry which in turn would be directed to non-profit child caring agencies.

We have been at it for almost 5 years now and overall we are very pleased and encouraged by the response we have received from the Texas corporate community. We have 43 corporate and foundation sponsors (collectively contributing $150-200K/yr.), and with the funds donated to the Fund we have made grants to over 30 community-based programs serving more than 3,000 children. To date, most of the local grants have been used to match state and federal funds available through the Department of Human resources—Title XX funds. We calculated that the funds we have provided local child care agencies have earned over $1,000,000 in available public funds. Other grants have been made to purchase classroom and playground equipment and to renovate buildings when public funds could not be used for these purposes. We also make scholarships available to child care staff who are interested in improving their professional education. With grants from Target Stores, a division of the Dayton-Hudson corporation in Minneapolis, we have awarded more than $25,000 in scholarships to several hundred child care workers. This year, for the first time, we are also offering to pay half of the cost of the Child Development Associate credential for a dozen selected CDA candidates in Texas. I believe that the Corporate Fund and Target are the only ones doing this in the entire country.

Lastly, we found that when we were talking to local centers about their financial needs and working with them to raise money, we became familiar with their overall management situation. More and more we saw a need for someone to provide these folks management consultation: in budgeting, in structuring their boards and using board member for fund raising, in their legal liabilities and responsibilities, in just marketing their services. Assistance of this kind sometime exists in the larger cities, but here again, there is a dearth of resources in the rural areas. So, for the past two years we have been putting together a management assistance component.

So, I hope you can see that we think that by linking private resources with existing public funds and programs, we feel we are helping to improve the lives of many Texas families.

As the executive director, I reported to a board of directors representing private corporations, a Texas foundation and several early childhood professionals.

The administrative budget is approximately $70,000 a year. (That pays the director's and a secretary's salary and office expenses). The Corporate Fund now has 43 corporations and foundations contributing over $150,000 a year. A list of supporters is provided to you. They include many oil companies, major retailers, banks and insurance companies. The average corporate contribution is $4,000, and we are pleased that our corporate sponsors continue to repeat their annual participation.

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To summarize then, the corporations we are working with like the idea of helping families at the local level where they have a corporate presence, and they like using a vehicle such as ours which does not involve another large bureaucracy and which emphasizes a businesslike approach to non-profit services.

Chairman MILLER. I thank all the members of the panel.

Mr. Esterline, are you using these funds to help small rural communities, match title XX and State funds that they might not ordinarily match because they are not a top priority or which they may not have sufficient funds to match?

Mr. ESTERLINE. Everything, yes, until the latter point. Community-based organizations, community action agencies, neighborhood groups, some church-based who have approached the Department of Human Resources, and there are State and Federal funds available, but the local group does not have sufficient local matching funds in order to enter into a contract. We have been able to provide for the most part all of the local matching funds necessary. Not always all, but frequently a large portion of it.

Chairman MILLER. So in effect you are able to demonstrate to the corporations that they are going to get a 3-to-1 match for the money that they put up?

Mr. ESTERLINE. Correct.

Chairman MILLER. And this is for child care services?

Mr. ESTERLINE. Child care services only.

Chairman MILLER. Ms. Bergman, the effort that you went through that ended up with six corporations finally deciding to participate, that is in the Dallas area, correct?

Ms. BERGMAN. Yes.

Chairman MILLER. Also, it is somewhat distressing that 52 corporations either would not consider it or considered it and then made a determination not to participate. What size generally are those corporations?

Ms. BERGMAN. They vary, but we targeted the larger corporations, anywhere from 500 on up to 3,000 or 4,000.

Chairman MILLER. And why did they turn this down?

Ms. BERGMAN. Either they didn't really believe there was a need, because they weren't hearing it from their employees, so we said, "Well, if you are not hearing it, have you looked at what the turnover has been or at the rate of return from maternity leave?" They hadn't thought about that. They did not feel they could justify the cost, because it would be for too few employees, they were concerned about the equity issue "if we give this to people with young children, what are we going to do for the person who has a 16-year-old" although it is my understanding that in other programs equity has not turned out to be an issue.

I could have been trying to sell them anything. I would come back to my office and say I often felt like a snake oil salesman, that I was trying to sell something that I believed in and I was trying to be articulate and well-informed, and it was like talking to a wall.

Chairman MILLER. Do you think one of the barriers was a concern that they would have to internalize the operation, to take it onsite and run it and make it part of the cost of doing business? What about other corporations? Is that a major threshold for them to become involved in the delivery of this service, as opposed to contracting-out for a slot at a church or family day care arrrangement? Is that easier for them to understand?

Ms. BERGMAN. I think so. From our point of view, what appealed to them was "no fuss". They put dollars into a program that serves a number of employees. What they give up is visibility and ownership of the program, although Southland is very proud of it and has done a good job of promoting it, but it is not something that you drive into the parking lot and see it on the premises.

Chairman MILLER. Southland has made an entire range of choices. You are involved in making family day care available for some employees, you are going to operate the center in the church and you are planning at least one on-site facility.

Mr. SNYDER. Correct.

Chairman MILLER. What is the corporate decisionmaking process to determine the extent of your involvement with child care?

Mr. SNYDER. It comes out of a cluster, a philosophy of they believe that they need to support their people. It goes way back to the company initiating profit sharing to the employees in 1949 and a gradual increase in the number of benefits; a commitment to a belief that they need to support their people no matter what the needs may be.

Chairman MILLER. Let me be a bit cynical. Most corporations say that they are committed to their employees, but 52 of them decided they were not committed in this area. Using the Southland Corp. as an example, or Zale, you have arrived at a different level of commitment. I believe that you are still in a profit making business and you have to look at what is referred to as the bottom line. Somehow a determination was made that this must be in the corporation's benefit also, that this wasn't just benevolence, because you are hoping to get back reduced absenteeism and maybe an edge on competitors in recruitment of personnel, I assume.

Mr. SNYDER. I did a quick survey among our ladies in conversation, and I determined from their conversation that in a given year, a lady is usually out three times with a small child being sick and only out about 2 or 3 days before they come back to work. If you multiply that by 80 or 100 women in the same situation, that costs us $60,000 a year in terms of lost wages or overtime or whatever. So we are trying to combat that loss of time. So there is a financial reason why we do it as well.

Chairman MILLER. I think that is part of the threshold as I talk to corporations in my area, and we have had some fairly positive responses from corporations; that is, the process that they have to go through when they cost out either offering the service or not offering it. There are costs related to not offering this that you absorb almost unconsciously.

The corporations assume that is part of the turnover, part of our daily operations, so many people won't show up, but there is a cost associated with that. You are suggesting that if you look at that, you can make a determination that provision of child care has some economic benefits.

Mr. SNYDER. Definitely.

Chairman MILLER. Ms. Bergman, you raised the question of employees perhaps not wanting to raise this issue, that it may end up being a bias against them if they suggest that they have a young child. Can you expand on that?

Ms. BERGMAN. For families that don't have satisfactory child care arrangements, it is hard for them to admit that, and this seems to work at all levels in companies, but the lower paid employees are really afraid to mention any kind of personal problems. You don't bring those problems to work because you can be replaced by somebody who doesn't have those problems. What we have seen that is kind of interesting is in midmanagment and upper management, if I am in an office and working on building my career and I am a mother—I have been a working mother for

20 years—I am competing for a job with Mr. Snyder here in the office next to me. He is not dealing with a child care problem if he has it. His wife is dealing with it most likely.

It has been traditionally a woman's problem. I am not going to bring that out if I can avoid it. My ability to pay to solve the problem doesn't help me solve it very well. It is not something I want in my personnel jacket.

Ms. **McNemar**. One of the things that is true for Dallas, and not in Houston, is we have a couple of companies in Dallas who have already gotten into the business of child care and they serve as a model. I think we all agree that until somebody steps forward in Houston, we won't have corporate supported child care benefits.

I visited with people in corporate employee benefits to check out my assumptions, which are correct, that nobody is asking about child care in a big way. Of course, when I found Becky, I was so glad to get someone to speak out. A benefits vice president gave as an example the dental plan. Before this benefit was offered, employees knocked on his door, approached him in the elevator and other places to ask, "When are we going to get a dental plan?" He said "Nobody is asking for child care." I said, "Do you suppose that is because nobody else has that benefit yet? Do you think that will change when somebody else provides child care as a benefit?" He said, "Of course, it will, but until somebody asks for it, nobody will do it."

Chairman **Miller**. Becky, would that also suggest that it is not discussed among employees?

Ms. **Graham**. I have discussed it. I talk to many, many mothers and fathers, because a lot of fathers are obtaining child care now and they are all willing to say, "Yes, I want it, but don't put my name down." I think that is the biggest problem. That is where our bread and butter comes from.

When I presented my package to the man that is head of employee relations, he said, "We did this a couple of years ago. We did a brief study and nobody wanted it." He would not give me the opportunity to speak with him personally. When he saw the package, he said, "You took great pains to do this. Thank you very much. We don't need it."

Chairman **Miller**. I would like to ask about the flexible spending plan. I would assume that both the employers and the employees are starting to look at this plan. It has been offered in a number of areas around the country with a number of corporations. It is obvious the Congress has to make a decision about this plan, as the IRS has now ruled that it is at least suspect and perhaps going to be prohibited. Does that ruling figure in your future plans?

Ms. **McNemar**. Definitely. The IRS needs to rule that it is acceptable to reimburse for child care. I understood that it looked like it would be acceptable, and in order to get a package with child care in it, that has to happen; 1986 appears to be the time when most of the large companies will go to cafeteria benefits and that will probably be one of the items that will be offered.

Mr. **Snyder**. That is also true for Southland. We are planning a cafeteria-style benefit program.

Chairman **Miller**. What about the employers you work with?

Mr. **Esterline**. For the most part, yes.

Chairman **Miller**. So it would seem that this proposal knocks down a lot of the concerns employers might have, in terms of fairness. The employee can pick and choose benefits, and it would kind of resolve those decisions for the employer.

Ms. **Bergman**. That is right.

Chairman **Miller**. Congressman Bliley.

Mr. **Bliley**. Thank you, Mr. Chairman.

Ms. Bergman, the chairman has touched on what I was going to ask, and that is how we change corporate attitudes. Would you say that one way would be through Congress making clear to the IRS that we want this flexibility, the cafeteria-type arrangement for benefits and we want it to be fully reimbursable. Also Mr. Snyder, a corporation such as Southland gets hundreds of requests a day for contributions to various charitable enterprises throughout the communities in which you serve, most of which will be used if at all by a very small percentage of your employees. An opera, for example, is very good and worthwhile, as is the symphony and the ballet, but I would suspect that the direct involvement of your employees in any of those is very small.

Mr. **Snyder**. That is true.

Mr. **Bliley**. So would you agree that we need this?

Mr. **Snyder**. Yes.

Mr. **Bliley**. In line, Ms. Bergman, with what you are trying to do to change attitudes, I suggest that you get in touch with Mr. James Coyne at the White House, who is involved with Private Sector Initiatives on child care. It is surprising how quickly chief executive officers return calls to the White House. And that is where we need to go, in my opinion, to change these attitudes.

Mr. Snyder, how many persons are employed by Southland?

Mr. **Snyder**. Nationwide, about 55,000.

Mr. **Bliley**. And what percentage of these are full-time and part-time?

Mr. **Snyder**. I would say probably 80 percent are full time.

Mr. **Bliley**. Do you have any statistics on how many of these are single parents?

Mr. **Snyder**. They are in the computer, but I do not know them.

Mr. **Bliley**. You spoke in your testimony about ladies. Of course, most child care would go to ladies because traditionally, in most instances, it is the mother that has the child care. Increasingly, single-parent families involve men, too.

Mr. **Snyder**. That is correct.

Mr. **Bliley**. Have you any statistics on how many of your male employees would fall into that category?

Mr. **Snyder**. Probably very small; 1 or 2 percent. It is predominantly women.

Mr. **Bliley**. What percentage of your employees are two-income families? Do you have any idea about that?

Mr. **Snyder**. I would say probably 40, 50 percent.

Mr. **Bliley**. Do you have any idea what the average income would be?

Mr. **Snyder**. A statistic I heard on the radio, I guess in Dallas, about two weeks ago was $34,000 for two of them; the father and mother both work. Whether that is a national statistic, I am not sure, but that is the figure I heard for Dallas.

Mr. **Bliley.** You mentioned that you include as a benefit to your employees marriage and family relations counseling. Have you had any—had enough experience with that to indicate if it has had any noticeable impact on the divorce rate?

Mr. **Snyder.** We have just had it in place nationwide for about 3 months, so we have no data as yet. It is too soon.

Mr. **Bliley.** Ms. Graham, do your children receive any support from their father?

Ms. **Graham.** No, they do not.

Mr. **Bliley.** How much would you benefit from an increase of $1,000 as a personal exemption for dependents?

Ms. **Graham.** I don't understand.

Mr. **Bliley.** For dependent child care, do you participate in that program where you get tax credit for dependent care?

Ms. **Graham.** Well—on my income tax, you mean?

Mr. **Bliley.** Yes.

Ms. **Graham.** Yes, I have, at the end of the year.

Mr. **Bliley.** Right.

Ms. **Graham.** Yes.

Mr. **Bliley.** How much would you benefit if that exemption were increased by $1,000?

Ms. **Graham.** I took—when I first started work, I started as a mother of three children, no dependents, and classified as married and I went and changed it to head of household with three dependents and it didn't change my salary at all. I don't know—because I was single, they were penalizing me for that, even though I had three children. At the end of the year, it would help me, but during the year, it is not going to help me on the day-to-day basis of living.

Mr. **Bliley.** In your own estimate, what percentage of employees in your company would have used a child care benefit had your company decided to go along with it?

Ms. **Graham.** My company overall internationally has 9,000 employees. They are in the Houston area. We have 900 and something and I would say out of the 900, at least 200 or 300 working mothers.

Mr. **Bliley.** So between 20 and 30 percent?

Ms. **Graham.** At least, yes.

Mr. **Bliley.** Would benefit.

Ms. **Graham.** Because the ones that I talked to, on a personal basis, the contacts that I had, I had over 100 people that were interested.

Mr. **Bliley.** Ms. McNemar, in your study, would you tend to agree with that?

Ms. **McNemar.** I think that is true. One of the problems is that companies don't know what the child care needs of their employees are. When I mentioned to a vice president of employee benefits that one of the major companies that he works with is going to fund a child care referral, he was very surprised that that was going to happen in Houston. I explained that what happens for this company when they fund a child care resource referral is that they get information on who their employees are, what their child care needs are, and how many of them have needs. He was excited about that because that is the one thing that companies cannot get at in a useful way.

The company can get much better feedback on employee needs. I believe that is going to help press the child care benefit issue and make it more known to the corporate executives who make these decisions. I think several of the large companies in downtown Houston will be forced into having to provide this benefit to their employees also. Three or 4 years from now they will know a lot more about their employees child care needs through feedback from the child care resource and referral service.

Mr. **Bliley**. I was very impressed when you mentioned about the dental care, because I was chief executive officer of a very small company before coming to Congress, and my employees were very interested in the program, but I think one of the things that helps get private companies involved in things like dental care and other benefit programs is the fact that they are entrepreneurs mainly and in the case of dental care insurance agents, they are interested in selling a product for which they get a commission.

The problem with day care is that the greater percentage of it is taken care of in private homes by people who don't have the marketing resources to get their message across to extol the benefits, and I think that is where groups such as yours and Ms. Bergman's can come into play, by getting the record of testimony of companies who have participated and what it has meant to them.

Ms. **McNemar**. One of the comments that I got from an executive with an insurance company about an employee benefit plan; was that his experience is that companies are so concerned about getting the health insurance costs down and that until we get cost control in the health field that all the other benefits such as child care are going to suffer. That is a serious problem in companies with 40 percent of the personnel salaries going to the benefit plan; 40 percent is an extremely high number.

So there is another issue affecting our ability to get into the plan.

Mr. **Bliley**. Thank you.

Thank you, Mr. Chairman.

Chairman **Miller**. What happens once we get past information and referral? You made the statement that the ability to pay for it does not necessarily make it available. What do you find, as you look at Houston and Dallas or the rural areas you do surveys in, in terms of the availability, whether it is in-home family care or center-based day care?

Ms. **Bergman**. We typically find long waiting lists for service, a lot of frustration, parents who are making patchwork arrangements for 2 days a week. They put the child in one form of care and the other 3 days somebody else cares for the child. It is fragmented. It is very frustrating to parents. There is an enormous unmet need. We have been seeing this and talking about it. We, too, are part of this resource and referral system. We will be doing it here in Dallas and we are very pleased it is a major initiative, but by itself, it is not going to create any more child care spaces.

We see it as a foot in the door to companies understanding of who the employees are and what children they have, and maybe then they will be willing to go a step further.

Chairman **Miller**. If you look at the figures of women in the workforce, this year among women who have children under the age of one, 45 percent of them are in the work force. That tells us something about child care needs at least for the next 6 to 10 years. If you look at the economic resources that these women bring in the workplace, either as the head of that household or with their spouse in terms of earning, the overwhelming number of those women appear to be working out of economic necessity.

Ms. **Bergman**. Absolutely.

Chairman **Miller**. The salary that is dedicated to child care is quite substantial in terms of a percentage of income. We come back again to the issue of affordability of quality day care. I think one of the things we are going to be looking at is how to help families find affordable care, whether it is through the tax system or through cafeteria plans. But even there availability is a problem. We have horror stories from working parents who want their child taken care of in a quality setting and to be healthy, yet so often they cannot get that kind of care and go to work 8 to 5 every day.

We listened to a number of working mothers in Connecticut describe having a caregiver call and say, "I am not going to take care of your child anymore," and trying to figure out how to find the child care, or leaving them with relatives. In some cases low-income familes have really absolutely no alternatives. Aren't corporations going to acknowledge and address the difficult issues connected to finding quality care?

Ms. **McNemar**. Good child care, of course, is something we have talked about—there is a lot of child care available, but because the centers have had to keep prices so low in order for families to pay for them, they have sacrificed a lot of quality to do that. Quality is another issue we have to look at. Somebody has to pick up the cost of good care. I hope the corporate world and tax credits can begin to do someting about that, but we are a long way from that.

Chairman **Miller**. How did Zale decide to make this extensive commitment?

Mr. **Romaine**. The concept started in 1968 when Donald Zale, the current chairman of the board was traveling in Switzerland with his wife and visited the Omega watch factory and saw a day-care center there for the employees. They came back with the idea and said, "We would like to do that some day." In 1978, management decided that it had seen enough in the press about child care and that there seemed to be a need. Management polled the employees and found out there was a need and built a center.

Chairman **Miller**. Thank you all for your help, and your testimony. When we talked to the employees this morning, we saw a very positive attitude about the corporation, which has made a decision to meet the needs of the children of its employees.

Much has been written over the last couple of years about the ability of American corporations to compete and the attitudes and employee-employer councils and trying to develop a true corporate family, if you will. In the San Francisco Bay area, we find that in the development of an industrial park like this, cities are asking that—we used to ask for schools and parks and amenities like that, that one of the amenities they are asking the developers and employers to contribute to is a child care center-based facility for the employees.

The telephone company and Safeway stores and others have come forward, and they share the center. Again, those corporations will testify that they are now being sought out by people who want to work for them because of this benefit, because they can have both the job opportunity and the security of that family setting.

So I think this is a badge that the corporations are going to start wearing on their sleeves with some pride and be able to start to pick and choose among people who want to work for them and also want to have families.

Thank you very much for your testimony and for your help.

Mr. **Esterline.** I think I speak for the rest of us. We are glad that you and your committee members are holding these hearings and we hope that you have positive results in terms of your work, too.

Chairman **Miller.** The next panel will be made up of Teresa Gilius, the executive director of Austin Families, Inc., accompanied by Gayland Walker; and Beverly Schmalzried, who is the Air Force Family Activities Administrator, Morale, Welfare, and Recreation Directorate, Air Force Manpower and Personnel Center, Randolph Air Force Base; Gloria Rodriguez, executive director, Avance Educational Program for Parents and Children, San Antonio; and Jerry L. James, vice president, YMCA of San Antonio.

Welcome. Your written statements will be placed in the record in their entirety.

To the extent that you would like to comment or expand on what you have heard from the previous panel, that would obviously be helpful to us, particularly if you have a little different slant or impression of some of the concerns and interests that were raised by the first panel.

Teresa, we will start with you.

STATEMENT OF TERESA GILIUS, EXECUTIVE DIRECTOR, AUSTIN FAMILIES, INC.

Ms. **Gilius.** I am Teresa Gilius, executive director of Austin Families, Inc., a nonprofit organization that was formed in 1978 to develop resources for working parents and their children. Our first involvement in the area of child care began with our information and referral service—the Childcare Switchboard—that we started in 1980. Its purpose is to help parents find child care that meets their needs and preference.

When elected officials of the city of Austin and Travis County decided to address the need for affordable child care through a partnership with private sector employers, they selected Austin Families, Inc. to develop and administer the program. Public funds were used to begin the effort, covering the initial administrative costs and child care subsidies for participants of several job training programs. The intent was for employer funds to be sought to subsidize their employees and to pick up a gradually increasing share of the program's administrative costs.

For the past 3 years, we have been working with local employers to make them aware of the child care needs of their employees and to help them determine the most appropriate way to address those needs. We have conducted feasibility studies for several companies, including a detailed survey of their employees and an analysis of the various child care assistance options. We use these data to help each employer choose the option that best fits employee needs and management objectives.

The option that has shown a great deal of promise in our community is the child care voucher program. Briefly, the voucher program is a cost-sharing arrangement in which participating employers assist their employees with the cost of child care. The employer's portion—which can be based on a percentage of the cost or a flat dollar amount—is paid to any licensed day care center or registered family day home of the parent's choosing.

The voucher program can be implemented by companies that are too small to justify the capital expenditures and management responsibility involved in operating their own center. It is also suited to employers with multiple sites. Other advantages of the voucher program include: parental choice in location and type of care; the ability to accommodate school-age children as well as infants and pre-schoolers; and quick start-up, since it draws on existing child care resources. Ultimately, it may also improve the quality of care throughout the community by giving parents information and purchasing power so that they can select the best care available for their children.

To make the child care voucher program accessible to employers, Austin Families, Inc. has developed a community-wide system. This system can centrally administer the voucher program for any local employers that choose to participate.

Some of our responsibilities in running this system include: one, maintaining an active and detailed listing of all licensed day care centers and registered family day homes in the area; two, assisting employees of participating companies in the selection of appropriate child care; three, handling all the enrollment and service documentation forms and making payments to the child care providers.

The centralized system saves the employer the trouble and expense of hiring staff to manage the program. It has proved to be a cost-effective approach that streamlines the procedures for all parties and avoids unnecessary duplication of effort.

We currently have three Austin employers participating and the voucher system has been functioning very well. However, we have found a number of barriers have kept other employers from beginning programs. One is lack of awareness of child care problems experienced by their employees; and another is the need for information about the range of options. Some are unwilling to have the employees surveyed for fear of raising their expectations that a child care program is imminent.

Yet, even some employers for whom we have conducted feasibility studies have been reluctant to begin a child care benefit. Some are hesitant to be among the first to start a new benefit; they want to know that other local companies—and preferably similar types of companies—are participating. They also want projections of the benefits: how much of the program cost will be offset by improved productivity and reduced turnover. Unfortunately, data are not yet available from other employers.

During the past several months, Austin Families has successfully responded to some of these barriers with two major efforts. The first is a child care resource and referral program that makes it possible for an employer to offer their employees assistance without an actual subsidy.

Under the resource and referral contract, Austin Families offers the company's employees personalized consultation to help them find appropriate child care in the community. The service offers parents guidance in selecting child care and encourages providers to accommodate any special needs—such as longer hours, night shifts, and weekend care. We prepare periodic reports for the employer that summarize the needs of employees who have used the service and the ability of the child care supply to accommodate those needs. This information can help the employer plan additional forms of child care assistance, making the service an excellent first step.

Our second major effort involves the use of community development block grant funds to demonstrate the effectiveness of the child care voucher program. The public funds, made available to us by the city of Austin, enable us to implement and evaluate the program for an employer at very little cost to the company. The availability of the funds is making the program attractive to companies that might otherwise see it as too costly to start on their own at this time. The CDBG demonstration project is creating new interest, providing us evaluation data, and will prove to be an excellent investment as the participating employers continue the program with their own funds.

In conclusion, our experience suggests that governmental action is needed to further the goal of private sector involvement in child care. Most companies are not going to start programs on their own; they need assistance from organizations like ours. Public funds are needed for seed money to attract private funds into the effort. The Federal Government should also support research and demonstration projects and continue to explore further tax incentives.

We appreciate your interest in our programs, and we hope that you will encourage innovative efforts that combine public and private resources at the community level.

I would like to introduce Mr. Gayland Walker, who is the first Austin employer to implement a child care voucher program.

[Prepared statement of Teresa Gilius follows:]

PREPARED STATEMENT OF TERESA GILIUS, PH.D., EXECUTIVE DIRECTOR, AUSTIN FAMILIES INC.

I am Teresa Gilius, executive director of Austin Families Incorporated: a private, non-profit organization that was formed in 1978 to develop resources for working parents and their children. Our first involvement in the area of child care began with our information and referral service—the Childcare Switchboard—that we started in 1980. Its purpose is to help parents find child care that meets their needs and preferences.

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To make the child care voucher program accessible to employers, Austin Families has developed a community-wide system. This system can centrally administer the voucher program for any local employers who choose to participate. Some of our responsibilities in running this system include: (1) maintaining an active and detailed listing of all licensed day care centers and registered family day homes in the area; (2) assisting employees of participating companies in the selection of appropriate child care; (3) handling all the enrollment and service documentation forms and making payments to the child care providers. The centralized system saves the employer the trouble and expense of hiring staff to manage the program. It has proved to be a cost-effective approach that streamlines the procedures for all parties and avoids unnecessary duplication of effort.

We currently have three Austin employers participating and the voucher system has been functioning very well. However, we have found a number of barriers that have kept other employers from beginning child care assistance programs. One is a lack of awareness of the child care problems experienced by their employees and another is the need for information about the range of options. Some are unwilling to have the employees surveyed for fear of raising their expectations that a child care program is imminent. Yet even some employers for whom we have conducted feasibility studies have been reluctant to begin a child care benefit. Some are hesitant to be among the first to begin a new benefit; they want to know that other local companies (and preferably similar types of companies) are participating. They also want projections of the benefits: how much of the program cost will be offset by improved productivity and reduced turnover. Unfortunately, these data are not yet available from other employers.

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We appreciate your interest in our programs and we hope that you will encourage innovative efforts that combine public and private resources at the community level.

STATEMENT OF GAYLAND WALKER, DIRECTOR OF PUPIL TRANSPORTATION, AUSTIN INDEPENDENT SCHOOL DISTRICT

Mr. **Walker**. My name is Gayland Walker. I have been employed by the Austin Public Schools for 24 years, serving the last 14 as director of pupil transportation. Our transportation department includes 4 operational facilities and 519 personnel, of which 349 are women.

For the past 2 years, the district has provided a child care benefit for our department. The district currently pays 50 percent of the child care expense for 42 employees involving 61 children. We contract with Austin Families for administration of the program. Our budget includes a line item of $40,000 for this program. I am hopeful of continuing this program; however, 1984-85 appears to be a tough budget year, and we are the only department in our school system providing this benefit.

During 1981, a group of approximately six employees approached me about the possibility of providing some kind of child care. They suggested that it might decrease our driver turnover as well as have a positive effect on our safety record. As I believe that driver turnover affects our safety record, I suggested that they contact several districts that were providing child care for bus drivers and investigate their experience.

They approached our board with their data and their request. The board directed the administration to study the issue.

In October 1981, Austin Families provided the district with a study of the issue. We considered the positives and negatives associated with several options. Due to the multiple locations of our operational facilities, we chose the voucher program as the service best fitting our needs. Our board subsequently approved the voucher recommendation.

One of our administrative concerns was how to determine which employees received the benefit. I referred the problem to the original group of employees who had lobbied for the program, and this group became known as the child care committee. Later, we had our employees elect the members of this committee. They selected a lottery system establishing priorities for each type of employee. The first priority was assigned to bus drivers. There is generally a waiting list for this benefit. At this point, all employee concerns regarding child care are directed to the child care committee.

Our turnover rate in 1981-82 was 58.1 percent, and we experienced 101 accidents resulting in workmen's compensation. Turnover percentage for the current year stands at 10.8 percent, and to date we have experienced 45 accidents involving workmen's compensation. I cannot, in all good conscience, attribute this reduction to our child care benefit as in all probability economic conditions played a large part in reducing our turnover. However, it is my personal belief that the child care program has a direct influence on employee productivity.

A chapter in John Naisbitt's book "Megatrends" is entitled "High Tech/High Touch." My understanding of this chapter is that as our lives are increasingly regimented by our system, our system must be proportionally responsive to the humanistic needs. As I have observed my older daughter's "life after divorce" and noted the regimentation imposed on her life by the cost and availability of child care, it is my opinion that if we are serious about women's equality in the workplace, child care is a preliminary and basic issue that must be addressed.

Chairman MILLER. Thank you.

[Prepared statement of Gayland Walker follows:]

PREPARED STATEMENT OF GAYLAND WALKER, DIRECTOR OF PUPIL TRANSPORTATION, AUSTIN INDEPENDENT SCHOOL DISTRICT

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During 1981, a group of approximately six employees approached me about the possibility of providing some kind of child care. They suggest that it might decrease our driver turnover as well as have a positive effect on our safety record. As I believe that driver turnover affects our safety record, I suggested that they contact several districts that were providing child care for bus drivers and investigate their experience.

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Chairman MILLER. Beverly Schmalzried.

STATEMENT OF BEVERLY SCHMALZRIED, AIR FORCE FAMILY ACTIVITIES ADMINISTRATOR, MORALE, WELFARE, AND RECREATION DIRECTORATE, AIR FORCE MANPOWER AND PERSONNEL CENTER, RANDOLPH AIR FORCE BASE, TX, ACCOMPANIED BY COL. JOHN P. O'NEILL, CHIEF, MWR OPERATIONS DIVISION

Ms. SCHMALZRIED. I am Beverly Schmalzried. I have with me Col. John P. O'Neill, Chief of the Operations Division, Morale, Welfare, and Recreation. U.S. Air Force.

It is my intention to describe the child care program offered by the U.S. Air Force for the benefit of the military families that need and use these services. The U.S. Air Force, with child care centers located worldwide, is one of the largest employer-sponsored child care programs in the world, not only contributing to the optimal development of the children attending but also providing a service which contributes to the national defense.

The Air Force operates child care centers at all Air Force bases with a dependent population large enough to support a program. Centers are located on 124 Air Force installations and additional centers will open as needed. These programs are located in the continental United States, Alaska, Hawaii, Guam, Italy, England, Germany, Spain, Japan, Okinawa, the Philippines, Greece, and Turkey. Including two Alaska and 2 Hawaii bases, 43 of the 124 programs are located outside the continental United States. At most locations, the centers are on the bases convenient to the military members' work sites.

Air Force child care centers are housed in buildings which have been built or renovated for child care. Only 27 of the 124 programs are located in buildings that were not built for child care. Since 1975, the Air Force has built or completed major renovations at over one-third of the sites.

Prior to 1983, nonappropriated funds generated by the Army and Air Force Exchange Service were used to build these facilities. Since 1983, Congress has approved the construction of 20 facilities with appropriated funds. These facilities include separate activity areas for each age group, kitchens, playgrounds, administrative areas, isolation rooms for ill children, and other support space.

The Air Force offers one of the most comprehensive child care programs in the country with weekly, full-day, care provided as well as hourly, drop-in, care for patrons' use while they meet clinic appointments, serve as volunteers for other Air Force activities, or participate in educational or recreational programs. Hourly care is difficult to find in the civilian center and is one of the unique features of our program.

In addition, the centers are open some evenings, Saturdays, and on Sundays, so that military members and their spouses can participate in functions during those times. This type of care is important because Air Force families are separated from their extended families and cannot rely on granddad or grandmother to provide respite from their active youngsters.

In 1981, the Air Force tested the concept of 24-hour care for shift workers and found that there was little demand for the service. However, our centers average over 80 operating hours per week.

Another unique aspect of the program is the high percentage of children under age 3 that we serve. Many civilian centers restrict care to children over 2 years of age or accept only a small number of infants and toddlers. Air Force centers serve children 6 weeks through 10 years of age, with over one-third of the care being provided for children under 3. Afterschool programs are provided as part of our Air Force youth activities program.

Air Force child care centers operate using a combination of nonappropriated funds generated by parent-paid fees and charges, earnings from other MWR activities, and some limited appropriated fund support. The facility, director's salary, maintenance, and some equipment and supplies are typically provided with appropriated moneys.

Air Force child care fees, consequently, are 10 to 20 percent lower than those at off-base centers, although the range and type of services offered are more comprehensive. Average hourly fees are $1 per hour, and weekly fees are approximately $35. A reduced fee usually is offered for additional children in the family. In some centers, parents pay a slightly higher fee for infant care.

Air Force child care centers participate in the U.S. Department of Agriculture Child Care Food Program and in the commodities distribution program. Consequently, parents pay only part of the costs of the meals and snacks. Breakfast, lunch and one snack are served in all centers. Because of the nonavailability of the USDA program at overseas bases, we provide a parallel program subsidized by the Air Force Welfare Board using nonappropriated funds.

The Air Force Child Care Program serves over 25,000 children per day in full-day, hourly, and part-day nursery school-type programs. Over three-fourths of these children are children of enlisted families; most of the remainder are children of officers. Ten percent of the children are from single-parent families; another 10 percent are from military couple families. The majority of the families served are families in which both members are working. In most cases, the other parent also works on base; this is the case for 65 percent of the families in continental United States, and over 95 percent of the families overseas.

In addition to providing quality child care services for Air Force members, the Air Force Child Care Program serves as a major source of employment for Air Force family members. Over 75 percent of the persons employed as caregivers and preschool teachers in Air Force programs are Air Force family members. Each center serves an average of 250 children per day, and employs 20 to 80 family members in part-time and full-time jobs. These persons are provided training in child care as part of a child care training initiative the Air Force started in 1978.

Air Force centers operate under stringent child care regulations. Unlike most civilian centers, Air Force centers are inspected frequently by environmental health, fire, safety, and other base offices as well as by major command and Headquarters USAF child care specialists. Most major commands have a child care specialist overseeing the centers in their commands, and the Air Force has a staff of three child care specialists.

In October of 1982, the Air Force launched a test of family day care at 10 Air Force bases. The purpose of this test was to expand the types and amount of child care available to Air Force families. A family day care regulation and guidance on how to implement a program have been published and bases are authorized to move forward on this program. This alternative will provide needed care for young infants, handicapped children, children of shift workers, and children who do not adapt well to group environments.

In summary, although care of children remains the responsibility of the Air Force member, the Air Force operates child care programs to assist Air Force personnel in meeting this responsibility. The services are provided to help personnel enjoy the challenges of mission accomplishment and a high quality of life, secure in the knowledge that their children are being well cared for when they are at work and participating in educational, recreational, and social activities.

This concludes my opening statement.

Chairman MILLER. Thank you very much.

[Prepared statement of Dr. Beverly Schmalzried follows:]

PREPARED STATEMENT OF DR. BEVERLY SCHMALZRIED, AIR FORCE FAMILY ACTIVITIES ADMINISTRATOR, AIR FORCE MANPOWER AND PERSONNEL CENTER, HEADQUARTERS, U.S. AIR FORCE

Chairperson and members of the panel, I am Dr. Beverly Schmalzried, Air Force Family Activities Administrator, Morale, Welfare, and Recreation Directorate, Air Force Manpower and Personnel Center, Randolph Air Force Base, Texas. I have with me Colonel John P. O'Neill, Chief, MWR Operations Division.

Consistent with your guidance, Mr. Chairman, it is my intention to describe the child care program offered by the United States Air Force for the benefit of the military famillies that need and use these services. The United States Air Force, with child care centers located worldwide, is one of the largest employer-sponsored child care programs in the world, not only contributing to the optimal development of the children attending but also providing a service which contributes to the national defense.

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In summary, although care of children remains the responsibility of the Air Force member, the Air Force operates child care programs to assist Air Force personnel in meeting this responsibility. The services are provided to help personnel enjoy the challenges of mission accomplishment and a high quality of life, secure in the knowledge that children are being well cared for when they are at work and participating in educational, recreational, and social activities. This concludes my opening statement.

Chairman MILLER. Ms. Rodriguez.

STATEMENT OF GLORIA G. RODRIGUEZ, EXECUTIVE DIRECTOR, AVANCE EDUCATIONAL PROGRAM FOR PARENTS AND CHILDREN, SAN ANTONIO

Ms. RODRIGUEZ. Good afternoon, my name is Gloria Rodriguez and I am the executive director of the Avance Educational Programs for Parents and Children in San Antonio.

I want to thank the members of the Select Committee on Children, Youth and Families for having invited me to present testimony on a very crucial issue facing this Nation—the need for child care. The focus of my presentation will be specifically on the Avance Educational Programs for Parents and Children—and how child care has been an integral component of every program that is provided to predominantly Hispanic families.

The word "Avance" means advancement in Spanish. We want the individuals that we serve to have an opportunity to advance and improve the quality of life for themselves and their children. We want the vicious cycle of poverty that has existed for generations to cease. Avance is a nonprofit organization that has been in operation for over 10 years in San Antonio, TX. The program was initially funded with seed money from the private sector—in fact, by the Zale Corp.—and now receives local funds from United Way, the city of San Antonio, the State department of human resources, and the private sector.

From the research that was conducted in 1980 on the target population comprised of all women respondents, we found the average educational level to be eighth grade. The dropout rate was 80 percent. Of those 20 percent who graduated from high school, only 1 percent worked. The majority of the target population was on AFDC. The mean household income was $473 per month. Eighty-five percent of the women were unemployed, 9 percent worked in unskilled jobs, and 6 percent held semiskilled positions.

Of major significance, 57.5 percent of the respondents reported lack of child care as a primary reason for not working outside the home. Half of the women were single parents. Other data reflecting their competence in the parental role indicated that 99 percent were deficient in knowledge of child growth and development. Data indicated that 88 percent lack effective usage of social services; 91 percent of the women were isolated from social networks; 84 percent suffered from frequent depression and nervousness; and 23 percent had attempted suicide at least once.

In this Nation of affluency and opportunity, and in a city designated as an "All-American City," we find poverty and all the debilitating conditions associated with it that prevent individuals from becoming contributing and productive members of society. The needs of low income Hispanic children, youth, and families must be immediately addressed, for similar conditions can be found throughout this Nation. The Hispanic community is growing very rapidly—especially the Mexican-American—whose population gains in 10 years have been 93 percent, versus the Anglo population of 9 percent in the same time period. The problems will not go away, but will only worsen.

Avance has always responded to these problems and has considered them serious concerns. It has been truly committed to serve the community and to change these depressing statistics. For the past 10 years, Avance has evolved naturally from one project into another. However, it has always been imperative that child care be provided to enable the individuals to participate.

The Avance service delivery model assumes a comprehensive, multifaceted, community-based approach. Its emphasis is on prevention. In fact, Avance's Project C.A.N. Prevent Program, funded in 1979 by the National Center on Child Abuse and Neglect, was designated as one of nine primary prevention programs in child abuse and neglect prevention.

The Avance model consists of various program components. The first is the Avance Parent-Child Education Program. Through the 10-month Parent Child Education Program, Avance helps the young child from zero to 3 years of age by providing the mother with the necessary knowledge and skills for becoming a more effective parent. The parent helps the child acquire a strong learning foundation; she also provides a strong, loving parent-child relationship; and helps the child develop a strong positive self-concept. As a result, we are preventing educational problems; we are preventing child abuse and neglect; and we are preventing poverty.

Avance participants have an average of three children, and the impact of that parent on those children will last a lifetime. As a result of our success with the Avance Parenting Program and our experience with Project C.A.N. Prevent, the Texas Department of Human Resources requested that we accept a contract working with confirmed cases of child abuse and neglect. The main purpose is to prevent the reoccurrence of the abuse or neglect by providing a homebound parenting education program.

In this program, we again work with both parents and children—but in their home. Strengthening the home is more desirable than removing the children. Our observations to date have been that child care and education are necessary for abusive parents and are alternatives to foster care.

Avance also works with parents of pre-adolescents and adolescents by addressing their specific needs and concerns. When intervention occurs early on, the positive parent-child relationship that is established in the formative years will continue, especially during the time when peer pressure is so great. Through these services, we are attempting to prevent teenage pregnancy, substance abuse, juvenile delinquency, and runaways.

Our emphasis is on assisting the child to maintain his positive self-concept and to continue to stress academic achievement, responsibility, independence, and start introducing him to various career options. Through this program, Avance continues to equip parents with knowledge and skills in strengthening family and community life. Although the child is older and more independent, the need for adult supervision is still critical.

After the parents acquire the necessary skills to strengthen and support the home, it becomes evident to them that they are instrumental in changing the future of their children. They realize that it is not too late for themselves and they become motivated and committed to change the course of their own lives. By entering the Avance Academic and Employment Training Program, various opportunities to obtain salable job skills are made available.

The program has been extremely successful. Since the program's inception 2 years ago, 36 women have completed basic Oral English classes; 26 have completed their G.E.D—General Equivalency Diploma; 22 have completed up to 36 college hours; and 40 have completed specialized skills training. Of the 26 Avance employees, 17 are graduates of Avance.

Avance is now gradually approaching the area of job placement outside of the organization. However, we are very much aware of the child care problems that exist in San Antonio for the working woman. It is an issue that the city government is trying to address. Through a recent survey of downtown employees, 1,100 additional child care slots in the business district alone have been identified.

Because of the desperate need and unavailability of child care for the women that are undergoing our job training program, Avance felt compelled and is now in the process of entering into the for-profit commercial child care business. A commitment has been made by a prominent developer, Mr. Dave Saks, in San Antonio, to donate a parcel of land to Avance in the middle of a $200 million downtown development. A major fund raiser is scheduled in November to raise sufficient funds for the initial payment of the Avance Education and Training Center, which will house a 24-hour child care center for 200 children, on-the-job training, job placement, and employee assistance. In fact, Mr. Ben Lipshy is on our steering committee for that event.

A proposal has been submitted to the Office of Community Services for a grant to help offset some of the initial expenses. Thereafter, the financial obligations will be met through the support of the private sector and the community at our annual fund raising event and from the profits generated.

This is a rendition of the child care center that is being proposed. This is a prime example of how the public and private sector can provide solutions to the problems of child care. In fact, the City of San Antonio desires the first 100 slots for their own city employees. The city has put a city task force together and they have already notified us.

It is not an easy task to change attitudes and lifestyles from a state of dependency and hopelessness to one of self-sufficiency and pride; the changes certainly will not occur overnight. The Avance model is a comprehensive approach dealing with the deep-rooted problems associated with poverty. Our program works! It has been validated through research, and we see the results daily.

It is more cost-effective to fund preventive programs during critical periods of a child's life and involve the entire family rather than paying the cost for treatment, rehabilitation, and compensatory programs. Support of such programs would decrease the negative environmental effects. Programs such as Avance need to be supported and expanded.

I would like to reiterate that child care is vital; for individuals would not fully engage in these activities of growth and development if child care were not made available.

I strongly urge the members of this committee to seriously consider the testimony presented herein and the implications it has in the establishment of policy affecting children, youth and families.

I also urge the Government and the private sector to invest in funding programs that pertain to training, education and child care. The benefits derived from that investment will be multiplied in human resources that will strengthen and protect this Nation; that will improve the economic conditions that we now face; and that will make this Nation a safer and happier place to live in for everyone.

Thank you very much.

[Prepared statement and "Avance" pamphlet of Gloria Rodriguez follows:]

PREPARED STATEMENT OF GLORIA G. RODRIGUEZ, EXECUTIVE DIRECTOR, AVANCE EDUCATIONAL PROGRAMS FOR PARENTS AND CHILDREN, SAN ANTONIO, TX

Congressman Miller, Congressman Bliley, my name is Gloria G. Rodriguez, I am the Executive Director of the Avance Educational Programs for Parents and Children.

I want to thank the members of the Select Committee on Children, Youth and Families for having invited me to present testimony on a very crucial issue facing this nation—the need for child care. The focus of my presentation will be specifically on the Avance Educational Programs for Parents and Children—and how child care has been an integral component of every program that is provided to predominantly low income Hispanic families.

The word Avance means "advancement" in Spanish. We want the individuals that we serve to have an opportunity to advance and improve the quality of life for themselves and their children. We want the vicious cycle of poverty that has existed for generations to cease. Avance is a non-profit organization that has been in operation for over 10 years in San Antonio, Texas. The program was initially funded with seed money from the Zale Corporation, and now receives local funds from United Way, the City of San Antonio, the State department of Human Resources and the private sector.

The Avance Program is located in three different communities in or adjacent to a Federal Housing Project. From the research that was conducted in 1980 on the target population comprised of all women respondents, we found (1) the average educational level to be 8th grade. (2) the drop-out rate was 80 percent. Of those 20 percent who graduated from high school, only 1 percent worked. (3) The majority of the target population was on A.F.D.C. (4) The mean household income was $473.00 per month. (5) 85 percent of the women were unemployed, 9 percent worked in unskilled jobs and 6 percent held semi-skilled positions. Of major significance, 57.5 percent of the respondents reported lack of child care as a primary reason for not working outside the home. (6) Half of the women were single parents. (7) Other data reflecting their competence in the parental role indicated that 99 percent were deficient in knowledge of child growth and development. (8) Data indicated that 88 percent lacked effective usage of social services. (9) 91 percent of the women were isolated from social networks; (10) 84 percent suffered from frequent depression and nervousness and (11) 23 percent had attempted suicide at least once.

In this nation of affluency and opportunity—in a city like San Antonio, which was designated as an "All American City" we find poverty and all the debilitating conditions associated with it that prevent individuals from becoming contributing and productive members of society. The needs of low-income Hispanic children, youth and families must be immediately addressed—for similar conditions can be found throughout this nation. The Hispanic community is growing very rapidly—especially the Mexican American—whose population gains in 10 years have been 93 percent vs. the anglo population of 9 percent in the same time period. The problems will not go away—but will only worsen.

Avance has always responded to these problems and has considered them serious concerns. It has been truly committed to serve the community and to change these depressing statistics. For the past 10 years Avance has evolved naturally from one project into another and serves over 1,000 individuals annually. However, it has always been imperative that child care be provided to enable the individuals to participate.

The Avance service delivery model assumes a comprehensive multi-faceted, community based approach. Its emphasis is on prevention. In fact, Avance's Project C.A.N. Prevent Program, funded in 1979 by the National Center on Child Abuse and Neglect, designated Avance as 1 of 11 national primary prevention programs in child abuse and neglect.

The Avance model consists of various program components. The first is the Avance Parent-Child Education Program. Through the 10 month Parent-Child Education Program, Avance helps the young child from 0 to 3 years of age by providing the mother with the necessary knowledge and skills for becoming a more effective parent. The parent helps the child acquire a strong learning foundation; helps provide a strong loving parent-child relationship; and helps the child develop a strong positive self-concept. As a result, we are preventing educational problems; we are preventing child abuse and neglect; and we are preventing poverty.

Avance participants have an average of 3 children and the impact of that parent on those children will last a life time.

As a result of our success with the Avance Parenting Program and our experience with project C.A.N. Prevent, the Texas Department of Human Resources requested that we accept a contract working with confirmed cases of Child Abuse and Neglect. The main purpose is to prevent the reoccurrence of the abuse or neglect by providing a homebound parenting education program. In this program we again work with both parents and children—but in their home. Strengthening the home is more desirable than removing the children. Our observations to date have been that child care and education are necessary support for abusive parents and are alternatives to foster care.

Avance also works with parents of pre-adolescents and adolescents by addressing their specific needs and concerns. When intervention occurs early on, the positive parent-child relationship that is established in the formative years will continue-especially during the time when peer pressure is very emminent. Through these services, we are attempting to prevent teenage pregnancy, substance abuse, juvenile delinquency and run-aways. Our emphasis is on assisting the child to maintain his positive self-concept and to continue to stress academic achievement, responsibility, independence and introduce him to various career options. Through this program, Avance continues to equip parents with knowledge and skills in strengthening family and community life. Although the child is older and more independent, the need for adult supervision is still critical.

After the parents acquire the necessary skills to strengthen and support the home, it becomes evident to them that they are instrumental in changing the future of their children. They realize that it is not too late for them and they become motivated and committed to change the course of their own lives. By entering the Avance Academic and Employment Training Program various opportunities to obtain saleable job skills are made available. The program has been extremely successful since the program's inception two years ago, 36 women have completed basic Oral English; 26 have completed their G.E.D. (General Equivalency Diploma); 22 have completed up to 36 college hours; and 40 have competed specialized skills training. Of the 36 Avance employees, 17 are graduates of Avance who live in the community and who could have qualified for welfare. That alone covers a substantial amount of our budget.

Avance is now gradually approaching the area of job-placement outside of the organization. However, we are very much aware of the child care problems that exist in San Antonio for the working woman. It is an issue that the City government is trying to address. Through a recent survey of downtown employees, 1,000 additional child care slots in the business district alone have been identified.

Because of the desperate need and inavailability of child care for the women that are undergoing job training, Avance felt compelled and is now in the process of entering into the for-profit commercial child care business. A commitment has been made by a prominent developer, Dr. Dave Saks, in San Antonio to donate a parcel of land to Avance in the middle of a $200 million downtown development. A major fundraiser is scheduled in November to raise sufficient funds for the initial payment of the Avance Education and Training Center, which will house 24 hour child care for 200 children, on-the-job training, job placement, and employee assistance. A proposal has been submitted to the Office of Community Services for a grant to help offset some of the initial capital expenses. Thereafter, the financial obligations and operations of the building will be met through the support of the private sector and the community at our annual fund raising event hopefully from C.D.B.G. funds and from the profits generated.

Even though we are still in the planning stages, we propose to have the child cares fees based on a fixed scale—with subsidies from the employers, City funds, United Way or the private sector to help defray some of the fees for those women entering the job market and earning minimum wages or slightly higher. We would like the State Department of Human Resources to subsidize some slots for those women still in training. All others slots will be made available to employees in the downtown area. The City's child care Task Force has already approached us on needing 100 slots for city employees. This initiative is a prime example of how the public and private sector can work together at attempting to solve the problem of child care. I have brought an artist's rendition of the building.

As part of the ten month parent child education program, the parents are required to assist in the child care program. They volunteer working with infants, crawlers, and toddlers twelve times during the year. With their extensive knowledge gained in child growth and development and this child care practicum experience they would be prime candidates for child care employees of the proposed child care center.

It is not an easy task to change attitudes and life styles from a state of dependency and hopelessness to one of self sufficiency and pride; the changes certainly will not occur overnight. The Avance model is a comprehensive approach dealing with the deep rooted problems associated with poverty. Our program works! It has been validated through research and we see the results daily. Significant findings from Project C.A.N. included the effectiveness of our curriculum on physical abuse of young children. In addition to these proven findings, observable outcomes have been the following: a) the children are remaining in school, b) parents are more actively involved in chilren's activities, c) women are considering employment and furthering their education, d) women are increasing their community involvement.

It is more cost-effective to fund preventive programs during critical periods of a child's life and involve the entire family, rather than paying the cost for treatment, rehabilitation, and compensatory programs. Support of such programs would decrease the negative environmental effects. We know that women on welfare want to work and improve the living conditions for themselves and their children. The system as it is now, is ineffective for one receives minimal training which may get them minimal jobs. The subsidy is only temporary. When the women do go out to work, they realize that they cannot make ends meet when they have to pay for child care, clothing, transportation, medical and other expenses. As soon as the subsidy of child care and medicaid is removed they return to the welfare system again feeling powerless and dejected.

The Avance Program is a more viable alternative, for they will receive training that will enable them to obtain higher salaries. Also, because of their knowledge in child growth and development they are better able to guide their children. There will be fewer family dysfunctions since they will be able to prevent problems before they occur. Programs such as Avance need to be supported and expanded. I would like to reiterate the integral role of child care in the Avance effort; for individuals would not fully engage in these activities of growth and development if child care were not made available.

I strongly urge the members of this committee to seriously consider the testimony presented herein and the implications it has in the establishment of policy affecting children, youth and families. I also urge the government and the private sector to invest in the funding programs that pertain to training, education and child care. The benefits derived from that investment will be multiplied in human resources that will strengthen and protect this nation; that will improve the economic conditions that we now face; and that will make this nation a safer and happier place to live in for everyone.

AVANCE

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BACKGROUND

The Avance (Avan-sey) Educational Programs for Parents and Children is a private, non-profit organization whose main purpose is to strengthen and support families. In 1973, the Zale Foundation of Dallas, Texas provided seed monies to establish Avance in San Antonio. Avance is a Spanish word meaning advancement or progress. The agency is supported by the City of San Antonio, United Way, The Department of Human Resources, Federal monies, and contributions from the private sector.

Direct services have been initiated and structured to address the needs of all children and families but in particular the needs of low-income Hispanics residing in the Avance communities. A survey of the target population indicates that the following conditions have existed for at least three generations:

- Poverty
- A 80% High School drop-out rate among the parents
- A high degree of stress and isolation
- Lack of knowledge of Child Growth and Development
- Significantly high potential for child abuse and neglect
- Lack of saleable job skills

Avance was created for the purpose of:

1) Promoting and conducting research for the advancement of human knowledge and the alleviation of human suffering
2) Providing direct services whereby:
   parents and children can realize their fullest potential;
   families are strengthened;
   child abuse, child neglect, and educational problems in young children are prevented; and
   the economic conditions of the family are stabilized.

THE AVANCE PARENT-CHILD EDUCATION PROGRAM — a comprehensive parenting education program at three sites for low income parents and their children three years and younger.

GOALS:

1. To familiarize the parent with the basic social, emotional, physical, and cognitive needs of young children as well as practical ways in which these needs can be met through the family.
2. To provide assistance, information, and support to parents for the purpose of alleviating problems and obstacles that may impede improvement of effective parenting skills.

Center based activites include:

- Weekly bilingual class discussions on child growth and development
- Toy-making classes
- Field trips
- On-site child care services for participants
- Transportation to and from classes
- Child care practicums
- Magazine and book library
- Information and referral services
- Community holiday celebrations

Home based activities provide:

- Weekly observations of parent-child interactions
- Parent self assessments through videofilms
- Counseling services

The parenting classes utilize the Avance curriculum which includes the following:

Effective Parenting, Parental Expectations, Pre and Perinatal Information, Physical Needs, Emotional Needs, Discipline, Cognitive Needs, Language Development, Pre-Reading Skills, Child Abuse and Neglect, Coping With Stress, and Birth Control Methods.

THE AVANCE EDUCATIONAL AND ECONOMIC DEVELOPMENT PROGRAM —opportunities for families who have successfully completed the Parenting Program and are in need of economic stability and educational advancement.

GOAL: To foster individual self-sufficiency and economic self support among low SES minority women whose chances for employment are almost non-existent.

Services include:

- ESL (English as a Second Language) Classes
- GED (General Equivalency Diploma)
- Basic Skills Classes
- College Courses (On-site and external campus)
- On-the Job Training
- Job Placement
- Personal Development Classes
- Career Development Sessions
- Field trips
- Driver Education

THE AVANCE HOMEBOUND PARENTING EDUCATION PROGRAM — a support program for abusing parents with young children.

GOALS:

1. To provide a support system for families confirmed as child abuse and neglect cases through an individualized program in the home.
2. To prevent the re-occurence of abuse and neglect by developing more effective parenting practices and positive parental role attitudes.

Services include:

- Weekly visits
- Individualized-Parenting Education Classes
- Projects to relieve stress
- Social activities to break isolation
- Comprehensive program for meeting needs through. service integration

THE AVANCE CONCERNED PARENTS NATIONAL DEMONSTRATION PROJECT: A PREVENTION MODEL. — A two year project for the prevention of adolescent pregnancy.

GOAL:

1. To help prevent or reduce the incidence of adolescent premarital sexual activity by organizing volunteer parents of adolescents and providing experiences that will increase parental knowledge, attitudes, and skills relevant to limiting the problem.

RESEARCH AND DEVELOPMENT

Project C.A.N. (Child Abuse and Neglect) Prevent — a 3½ year Research and Demonstration grant funded by the National Center on Child Abuse and Neglect, Washington, D.C. produced a document describing the development, implementation, and results of 1) a formal NEEDS ASSESSMENT SURVEY of the community 2) a Pre-Post Test designed to measure the impact of participation in the 10 month Avance Program.

Curriculum Devlopment — The Avance Parenting Education Curriculum consists of bilingual lessons in child growth and development.

The Avance Toymaking Book was compiled to emphasize learning through play and guides parents in making toys at home that meet the needs and interests of young children.

Chairman MILLER. Thank you.
Mr. James.

STATEMENT OF JERRY L. JAMES, VICE PRESIDENT, YMCA OF SAN ANTONIO

Mr. JAMES. Mr. Chairman, Mr. Bliley, ladies and gentlemen: My name is Jerry James. I am Vice President of the YMCA, San Antonio, with specific responsibilities in development and operations. My statement this morning is addressed solely to after-school child care, and we use the term "Prime Time," so I will be using that term through the paper.

Two years ago, the San Antonio YMCA realized the seriousness of this whole area of child care. For approximately 4 years, one of the branches had been conducting a Prime Time Program at its local facility by busing school-aged children from the school to the local YMCA. After consultation with the Miami, FL YMCA, and one of the larger school districts in San Antonio, the Northeast Independent School District, the Northeast YMCA branch staff took a plan to their local board. The board established a Prime Time Standing Committee, asked for input from one of the key deputy superintendents, and asked for an interest survey from the local elementary schools.

The Northeast branch is a large, nonfacility YMCA with a broad-based community participation, primarily youth and families. In its short 15-year history, that branch's credibility with the community and other organizations had been well established. The branch had been sensitive to the growing and changing structure of the family and the whole area of supervised child care.

After much discussion with the Northeast Independent School District Administrators and the Judson Independent School District Administrators, the YMCA assured them that the Prime Time Program would be well planned and well organized. The YMCA staff and the school administrators analyzed the 31 schools surveyed. They had approximately 22 to 23 percent return on all those surveys. The survey basically asked the question: If after-school child care were to be provided at your local elementary school with an approximate cost of $18 per child per week, would you be interested? It was determined after analyzing the surveys that one school in the Judson Independent School District and five schools in the Northeast Independent School District would offer a Prime Time Program at their schools for the school years, and to be analyzed 6 months later.

Funding, obviously, became a real issue. The current school districts agreed to offer the public schools on a nocost basis. Based upon the costs of the Northwest YMCA Program, and advice from the Miami, FL YMCA, the San Antonio YMCA decided to keep the costs as low as possible. All branches agreed to keep the basic cost for at least the first year at $15 to $18 per child per week. For the first year, even though there was no guarantees of outside subsidy funding, the staff and Northeast YMCA Board of Management committed to hire a full-time professional director and secure enough schools to break even on the projected costs. The local Department of Human Resources was contacted and appraised of all plans.

In September 1983, the Metropolitan Board of the YMCA of San Antonio established the Prime Time Program as its No. 1 priority program goal. Approximately the same time the Mayor of San Antonio, Henry Cisneros, established a Target 90 task force to look at future needs. After months of city community meeting and hearings, Target 90, too, established that after-school child care was a high priority and that the YMCA was dealing effectively with the "latch-key" child, and was to be used as a program model. The Northeast YMCA branch did receive a small donation for Prime Time from an oil company.

As of last Friday, we have received word that the San Antonio Y will be receiving small funds for Prime Time seed money for the future years. By January 1984, the Y was expanded and it was in discussion with five other school districts for future Prime Time implementation. As of today, we have six school districts that are committed.

The National YMCA Program Resource published a basic Prime Time school-age child care curriculum manual that was gleaned from various YMCA experiences across the United States. The San Antonio YMCA utilized this manual as the basic Prime Time curriculum with adaptions. Basically, during the hours from 3 to 6, it includes a variety of activities especially designed for elementary school-age children encompassing indoor and outdoor games, arts and crafts, community service projects, and educational and safety seminars. A nutritious natural snack is served daily. Staff consists of area college students, certified school teachers, parents, and teachers' aides who have educational or employment backgrounds in child care, child development, education, or recreation.

In addition to daily school programming, the YMCA offers the children planned group activities during all school breaks so that the child care services are being provided. During the summer months, the area has 26 day camps and resident camps that are available for those families interested in all-day care.

Establishment of each child care center involves licensing by the Texas Department of Human Resources and certification of occupancy by the city of San Antonio and area suburbs. These procedures have undergone some adaptions by all parties involved due to the uniquenes of this program, since it was after-school care.

The State of Texas and the city of San Antonio do not have regulations specifically for school-age child care—for strictly after-school care—3 hours per day. Therefore, this after-school program is being "molded" into standards and regulations for total day care—that which is primarily designed for preschool children—many of which are not relative to the Prime Time Program. State licensing agents and city inspection officials, and school administration officials, have shown considerable interest, support and cooperation in the establishment of this program. This has been a key factor for the success and ease of the programming.

Currently, licensing procedures with the Texas Department of Human Resources are under way to expand the Prime Time Program to 26 centers for the school year 1984–85, with additional sites beginning midschool year. Registrations, as of today, and staff recruitment are currently in progress. Preregistrations already indicate a high enrollment for this fall. We expect by May 1985 to reach 1,000 children, requiring a staff of 75 to 80 members in approximately 40 elementary schools. Preschool and school-age child care is one of the fastest growing programs in the YMCA nationwide.

The YMCA Prime Time Program can begin in any community. Contacting the nearest YMCA and expressing the need is the first step. The YMCA historically has reacted rapidly to serious needs in local communities. With 2,200 autonomous units throughout the United States, the YMCA is fulfilling its goal by serving the families and youth—over 12 million in 1983. With proper subsidization, child care needs can be met more rapidly at the YMCA or any viable organization.

Lastly, our success in San Antonio, in summary, has been primarily dealing with the local elementary schools, and we are definitely pleased about the extreme cooperation and expect nothing but growth in the future.

Thank you very much.

[Prepared statement of Jerry L. James follows:]

Prepared Statement of Jerry L. James, Vice President, YMCA of San Antonio

Two years ago the San Antonio YMCA realized the real seriousness of the latch-key child. For four years the Northwest YMCA Branch had been conducting a Prime Time (after school child care) program at its facility by busing school-age children from school to the YMCA. After much consultation with the Miami, Florida, YMCA and one of the larger school districts in San Antonio, the Northeast Independent School District, the Northeast YMCA Branch staff took a plan to their local Board of Management. The Board established a Prime Time Standing Committee, asked for input from one of the key Deputy Superintendents, and asked for an interest survey from the local elementary schools.

The Northeast YMCA Branch is a large, non-facility YMCA with a broadbased community participation, primarily youth and families. In its short fifteen year history the YMCA's credibility with the community and other organizations had been well established. The Branch had been sensitive to the growing and changing structure of the family and the whole area of supervised child care.

After much discussion with the Northeast Independent School District and the Judson Independent School District administrators, the YMCA assured them that the Prime Time program would be well planned and well organized. The YMCA staff and the school administrators analyzed the thirty-one schools' surveys. It was determined to offer the program at one Judson Independent School District elementary school and five Northeast Independent School District elementary schools as pilots to be evaluated after six months.

Funding became a real issue. The current school districts agreed to offer the public schools on a no-cost basis. Based upon the costs of the Northwest YMCA program, and advice from the Miami, Florida, YMCA, the San Antonio YMCA decided to keep the costs as low as possible. All Branches agreed to keep the basic cost for at least the first year at $15–$18 per child per week. For the first year, even though there were no guarantees of outside subsidy funding, the staff and Northeast YMCA Board of Management committed to hire a full-time professional Director and secure enough schools to break even on the projected costs. The local Department of Human Resources was contacted and apraised of all plans.

In September, 1983, the Metropolitan Board of the YMCA of San Antonio established the Prime Time program as its number one priority program goal. Approximately the same time the Mayor of San Antonio, Henry Cisneros, established a Target 90 Task Force to look at future needs. After months of City community meetings, Target 90, too, established that after-school child care was a high priority and that the YMCA was dealing effectivley with the "latch-key" child, and was to be used as a program model. The Northeast YMCA Branch did receive a small donation for Prime Time from Valero Oil Company.

By January, 1984, the YMCA was in discussion with five other school districts for future Prime Time implementation.

The National YMCA Program Resource published a basic Prime Time school age child care curriculum manual that was gleaned from various YMCA experiences. The San Antonio YMCA utilized this manual as the basic prime time curriculum with adaptions.

The daily programming consists of a variety of activities especially designed for elementary school age children encompassing indoor and outdoor games, arts and crafts, community service projects, and educational and safety seminars. A nutritious natural snack is served daily. Staff consists of area college students, certified school teachers, parents, and teachers aides who have educational or employment backgrounds in child care, child development, education, or recreation.

In addition to daily school programming, the YMCA offers the children planned group activities during all school breaks so that child care services are being provided. During the summer months regular Day Camps and Resident Camps are available for those families interested in all day care.

Establishment of each child care center involves licensing by the Texas Department of Human Resources and certification of occupancy by the city of San Antonio and area suburbs. These procedures have undergone some adaptions by all parties involved due to the uniqueness of this program. The State of Texas and the city of San Antonio do not have regulations specifically for school age child care (for strictly after school care—3 hours per day). Therefore, this after school program is being "molded" into standards and regulations for total day care (that which is primarily designed for pre-school children) many of which are not relevant to the Prime Time Program. State licensing agents and city inspection officials have shown considerable interest, support, and cooperation in the establishment of this program. This has been a key factor for the success and ease of the programming.

Currently, licensing procedures with the Texas Department of Human Resources are underway to expand the Prime Time program to twenty-six centers for the school year 1984-85 with additional sites beginning mid-school year. Registrations and staff recruitment are currently in progress. Pre-registrations already indicate a high enrollment. Enrollment is expected to reach one thousand children by May, 1985, requiring a staff of seventy-five to eighty members in approximately forty elementary schools. Pre-school and school age child care is one of the fastest growing programs in the YMCA nationwide.

The YMCA Prime Time program can begin in any community. Contacting the nearest YMCA and expressing the need is the first step. The YMCA historically has reacted rapidly to serious needs in local communities. With twenty-two hundred autonomous units throughout the United States the YMCA is fulfilling its Christian mission by serving the families and youth (over twelve million in 1983). With proper subsidization child care needs can be met more rapidly at the YMCA or any viable organization.

Chairman MILLER. Thank you.

Mr. James, how many young people are participating in your Prime Time Program?

Mr. JAMES. We started out, sir, in six elementary schools, and started out with an average of 15 children per school. As of a few weeks ago, that has increased in those same elementary schools to approximately 150 to 175 children.

Chairman MILLER. You went from 15 children per school, and now you are looking at 150 children per school?

Mr. JAMES. No; total, sir.

Chairman MILLER. Oh, total.

Mr. JAMES. Right.

Chairman MILLER. What are your expectations in terms of growth of those programs?

Mr. JAMES. Well, sir, we are following H.R. standards and each school varies with the amount of enrollment they are able to take. That is 30 to 50 children per school with the area that we are currently licensing. We are going to be restricted as to the total number of children, but the expansion is going to come by spreading to additional schools in various areas in San Antonio.

Chairman MILLER. So the programs won't necessarily become a great deal larger within those present schools?

Mr. JAMES. Not at the present time, unless they determine a way to expand the facilities at the local schools.

Chairman MILLER. Under licensing, you would have to provide additional staff personnel?

Mr. JAMES. That is no problem. The restriction is the area of the school that we are getting licensed.

Chairman MILLER. Are there other functions going on at those schools at that time?

Mr. JAMES. There are some, but very minimal. The Girl Scouts may meet there, and a local group may meet in the areas. The areas we use are the gymnasiums and a segment of the cafeteria. We are not going into the classrooms.

Chairman MILLER. When an employer supplies a voucher to an employee, what happens next?

Ms. GILIUS. The employee works with our agency to select child care, and then once they make their choice of any licensed center or registered home, then we make the employer's payment directly to the provider. The parent pays their portion to the provider.

Chairman MILLER. If you were an employee participating in the program, could I make an assumption about the facilities you would refer me to? Are there guarantees here?

Ms. GILIUS. There are not. We make referrals rather than recommendations. We make sure every facility is licensed or registered. However, we can't guarantee that any particular center or home is better than another one.

We try to give the parents some guidance and information about how to select a program. We give them a checklist and some tips on how to assess the quality; also, how to monitor that quality, because even if we had enough funds to have staff go out and monitor all those centers, that would be at most quarterly. Whereas, the parent is there twice a day, 5 days a week. We think they need to be in a position to monitor the quality.

Chairman MILLER. Is there a requirement that a voucher be used for a licensed facility?

Ms. GILIUS. In our area; licensed or registered.

Chairman MILLER. You, in effect, follow the parent to see what that parent has decided with regard to day care; but you also determine if it is also a licensed facility?

Ms. GILIUS. Yes; we verify that before we enter into an agreement with the provider.

Chairman MILLER. The provider, meaning the person who supplies the voucher?

Ms. GILIUS. The provider, being the day care center or home that the parent selects. After the parents make their selection we enter into an agreement with that child care provider to make the payments on behalf of the employer.

Chairman MILLER. I see.

Since the voucher travels with the employee, with the child, if you will, what do you find about stability of care under your system?

Ms. GILIUS. Most of the parents who have participated in the voucher program tend to stay with one provider. However, we make it very clear in the parent agreement that they sign that if they become dissatisfied with their care for any reason, they should let us know and we will help them find other care.

There have been occasions where a parent becomes dissatisfied with a particular center; maybe they loved the teacher that the child had in the two-year-old group, but with the three-year-old group teacher they are not pleased. Also, there are some family day homes that don't stay in business very long.

Chairman MILLER. Is that a problem?

Ms. GILIUS. It can be. Probably the ones that we have dealt with tend to be more stable than the average ones. But it means we may need to be able to find them other care in the same area.

Chairman MILLER. The Air Force program, is it provided to civilian employees on base as well?

Ms. SCHMALZRIED. Usually not. It is on a space-available basis. Only in a few sites can civilians use it, usually on the weekends. It is almost entirely active duty.

Chairman MILLER. Do you encounter the problem of waiting lists?

Ms. SCHMALZRIED. Yes. Each center keeps a waiting list. We don't have enough space for everyone to use the facility at one time.

Chairman MILLER. In the provision of hourly day care, do you find that it helps mitigate the requirement for full-day care; that, in fact—the ability to place the child in care for 1 or 2 hours a day, or for 1 or 2 days a week, provides flexibility in terms of fitting the various spouses' schedules?

Ms. SCHMALZRIED. It helps some military couples. If there were a couple each working a different shift, there could be 2 hours when they need care, because 1 person is leaving their job and another is coming on. If they can buy 2 hours of care at that time, that is very helpful.

Chairman MILLER. So that 2 hours of care may relieve the necessity for providing 8 hours of care, because the family can work out providing care for the child?

Ms. SCHMALZRIED. On most bases, we reserve a few spaces for drop-in care, because for clinic appointments, PCS, TDY, all the things military people do, they need temporary care. That is expensive to provide because you are tying up a space that you could use for full-day care. But we do try to do that. It is an inefficient, and an expensive type of care to provide.

Chairman MILLER. Let me carry this over to your Prime Time program.

Do you know if there are parents who use it only when school is out at 2 o'clock, and at 3 o'clock, and they can avoid full time care by allowing care just for a couple of hours until one of the parents can come home?

Mr. JAMES. Right.

Chairman MILLER. So a parent may only need an hour of that care because they are home at 3:30.

Mr. JAMES. Yes, sir. In fact, one of the schools that we are having the program managed is near a military base. By virtue of those folks being military, I am confident that is a part of the population.

Chairman **Miller**. This fills a gap where, if that gap wasn't filled, you would need a larger block of time for care. But you run up against licensing, because the child has to be counted.

If you are only allowed 30 slots, for whatever the staffing ratio required, does it matter for those purposes whether the children were there hourly or full time?

Ms. **Schmalzried**. We have a capacity——

Chairman **Miller**. You write your own recommendations?

Ms. **Schmalzried**. We can serve a certain number of children at any one time. So, after school, you can only take those that you have space for.

In our situation, we use the youth activity center also for before-and after-school care, so that we can extend our capacity at that time of day.

Chairman **Miller**. Ms. Rodriguez, one of the policy questions that we are looking at with respect to child care is the extent to which it allows people who are on public assistance to find employment.

Can you expand on what you have learned at Avance with respect to the role child care plays in helping these families venture into the private sector?

Ms. **Rodriguez**. My experience with many of these families has been that the welfare system really doesn't work. Individuals go out initially to work, and they are allowed so much time—I think it is a year—to receive child care and health benefits while they are employed. Then they are removed. When one determines the cost of child care, transportation, clothing, and other job related expenses, people revert back to public assistance because they can't make ends meet. Child care was one of the primary needs that was not really made available to them.

Maybe they would stay employed for a short period of time, but once child care is taken away from them after 1 year or so they go back to the dependency of the Welfare System.

Chairman **Miller**. Is your program able to fill that gap?

Ms. **Rodriguez**. We feel it is, most of these women have minimal type jobs that makes it difficult to make ends meet. Avance offers job training and assistance that will enable them to obtain more salable skills that will qualify them for higher paying jobs. Also, they are very concerned about what is happening in the home and the child care situation.

Many problems could arise had they not known about child growth and development, and had they not provided the children with the basic needs. They are not worried about their children being in an adverse type of environment, getting in trouble, or things like this, because they now have that knowledge and commitment to guide them in the right paths.

Chairman **Miller**. Mr. Bliley.

Mr. **Bliley**. Thank you, Mr. Chairman.

Ms. Schmalzried, what is the staff-child ratio for infant care at your centers?

Ms. **Schmalzried**. One to 4 for children 6 weeks to 6 months of age; 1 to 8 for children 6 months to 18 months of age.

Mr. **Bliley**. Have you any idea what the program costs altogether, including both public and private funds?

Ms. SCHMALZRIED. In fiscal year 1983, our total budget was about $34 million. $8 million of that was appropriated funds.

Mr. BLILEY. I see.

What percentage of your time is allotted for hourly care? I heard you say in response to the Chairman's question that you did allot some time for this.

Ms. SCHMALZRIED. The average is 25 percent. It is a decision made by the base commander usually based upon what he/she feels the needs are at the base.

Mr. BLILEY. Do you have any statistics—or perhaps maybe the colonel might—whether this care has any effect on the retention rate of personnel?

Ms. SCHMALZRIED. AF has conducted two studies related to that. In 1980, we conducted a study called "Families in Blue" in which we asked people: What causes you to stay in the Air Force? Child care was one of the prime services listed.

Recently, we asked base commanders what are the important services on an Air Force base, and child care was listed in terms of retention, readiness and ability to get the work done.

Mr. BLILEY. Ms. Rodriguez, how much seed money did Avance get from the Zale Corporation?

Ms. RODRIGUEZ. $100,000 annually for 3 years.

Mr. BLILEY. So $300,000 altogether.

Ms. RODRIGUEZ. And I would like to say that until we were getting support from the local government, Zale gradually decreased our funding from $100,000 to 30 percent of that.

Mr. BLILEY. I see.

As the government came on, they reduced the funds?

Ms. RODRIGUEZ. Yes.

Mr. BLILEY. When do you expect your new facility to be ready?

Ms. RODRIGUEZ. Well, in about 1½ years, or 2, hopefully. It just depends—1 year to organize the plans and acquire the financing and 1 year to construct it.

Mr. BLILEY. How will your operating costs be funded?

Ms. RODRIGUEZ. The operating costs would be generated from the subsidies and from the parents.

Mr. BLILEY. The parents' fees?

Ms. RODRIGUEZ. Yes.

Mr. BLILEY. Will they pay all of it, or what do you project——

Ms. RODRIGUEZ. Part of it will be funded by the city of San Antonio, I am sure, and the Texas Department of Human Resources. As we are now currently planning for those costs, we are setting up a committee of prominent businessmen and city employees, and also some members of our board, to determine how it is going to come about.

But we are foreseeing that we would be looking at CDBG moneys and private sector for the construction cost. We now currently receive over $200,000 from the city of San Antonio alone for operation costs.

Mr. BLILEY. But you haven't worked out your goals yet exactly on the ratio of what percentage will be paid by parents versus—

Ms. RODRIGUEZ. No. We are still in the planning stages right now.

Mr. **Bliley.** Mr. James, were you able to meet your budget goal of $15 to $18 maximum per family?

Mr. **James.** So far, sir, yes, we have. We still have a few more months yet in this fiscal year.

Mr. **Bliley.** So far you are on target?

Mr. **James.** So far, sir.

Mr. **Bliley.** Is that true for the part that you estimated to be picked up by the Y?

Mr. **James.** Yes, sir.

Mr. **Bliley.** That is very good. Maybe you ought to teach us how to stick to a budget.

Mr. **James.** Ask me again in about 4 months and I will be able to give you more accurate figures.

Mr. **Bliley.** Ms. Gilius, you say three employers are participating now. How many participated in the past?

Ms. **Gilius.** A total of three.

Mr. **Bliley.** On page 2 of your testimony, you refer to referral contracts. How does it work; that is, what does it provide and what does it cost?

Ms. **Gilius.** Under that contract, the employer contracts with our agency for consultation for their employees, and that can be done either by telephone or through on-site consultation. One of the employers that we are working with now has a combination of those two. They have a staff person from our office go out to the work site for 2½ days each week, and employees can come by during that time to meet with the child care referral coordinator and get assistance from her. Also, their employees can phone our office, if that is more convenient for them.

Regarding the cost of the program, if they have a staff person go out to the work site for a certain number of hours per week or per month, we charge according to the number of hours that person is there.

Mr. **Bliley.** At what rate?

Ms. **Gilius.** It varies with the number. We are charging an employer $80 per 4-hour time block.

Mr. **Bliley.** So, $20 an hour——

Ms. **Gilius.** Right.

Mr. **Bliley** [continuing]. With a 4-hour minimum?

Ms. **Gilius.** Yes. And there is an economy of scale, so the more time that they contract for, the less the unit rate would be.

Mr. **Bliley.** What does the phone service cost them?

Ms. **Gilius.** We are currently charging $20 per employee that uses the service for the first 200 employees. After that, the cost goes down to $10 per employee.

Mr. **Bliley.** So really you are not paying that much more.

Ms. **Gilius.** It depends on the utilization.

Mr. **Bliley.** Unless you have a big number. But if you had big numbers, you might have your own program.

Thank you.

Mr. Walker, how much improvement took place among those employees in regard to retention that participated in the program versus before? Or do you have figures for that?

Mr. **Walker.** I don't have those figures with me. Terry might.

Ms. **Gilius.** We don't have the figures available.

Mr. **Walker**. I imagine that is going to be an issue at budget time, though.

Mr. **Bliley**. I would imagine the board members would want to know that.

Why are the employees that participated in the program chosen by lottery rather than by financial need or other relevant circumstances, such as the number of children, presence of other family members, et cetera?

Mr. **Walker**. Well, one of the administrative concerns was that we didn't know how far the money would go, and the group that lobbied for the program were very interested in being involved in the program. So they got together, and it was a very interesting session. They debated for some time how they would deal with that. Finally, they recommended the lottery system.

Basically, it is directed toward part-time bus drivers, and after that, other employees can use the money as it is available.

Mr. **Bliley**. Have you been satisfied with that arrangement, or do you propose to change it in any way; and if so, how?

Mr. **Walker**. Well, my feeling is that possibly there may need to be changes insofar as priorities for various employee groups. However, I would prefer for that to come from the employees. And I would suggest they probably will deal with that issue if there is a problem at budget time.

Mr. **Bliley**. Would you care to express what your preference would be?

Mr. **Walker**. My personal opinion is that I would prefer it to be set up on some type of need basis. But my approach to administration is that if, in fact, you ask for employee input, then you need to be responsive. Otherwise——

Mr. **Bliley**. It has a negative effect?

Mr. **Walker**. Yes; you affect the balance of the system. So I like to ride with their recommendations to the degree that I can.

This is congruous with my approach to dealing with all our employee concerns. We have a group that is elected to make recommendations regarding operational policy, and a group elected to hear appeals of supervisor decisions, and those kinds of things. This is the same kind of system. I would like to affect the balance sometimes, but I try not to.

Mr. **Bliley**. Mr. Chairman, thank you. I appreciate your indulgence.

Chairman **Miller**. Ms. Gilius, if you have three employers, what is the incentive? How do we crack that barrier? You heard the previous panel. Do you have some ideas, after working with these people, what it would take to get them to see their way clear?

Ms. **Gilius**. From our experience we have been very pleased to see the recent surge of interest. When we can go out and tell employers that their employees may be eligible for some Federal funds through the community development block grant, that seems to pique their interest.

I think it is also causing them to move more quickly than if they were just going to wait for employee pressure. I agree with the other panelists that that is going to take a few more years. So I think having the seed money available is a very good attraction; also having a community organization available.

But many employers are still going to need to see what these programs will do for productivity. Research and demonstration projects are essential to show an employer what benefits have accrued to other employers that have tried these models. Otherwise, I don't think they know what to expect in terms of costs or benefits.

Chairman **Miller**. Mr. Walker, you indicated that you weren't ready to attribute your entire change in turnover to child care.

Let me ask you, those figures that you have, the really rather dramatic improvement one year over the other, are they continuing to hold up as the recovery comes along?

Mr. **Walker**. It has continued to hold up over the last 2 years. Of course, I want to attribute some of it to this program, and that is the reason I mentioned the numbers.

The other side of it is, I have to be straight about the economy, also.

Chairman **Miller**. I understand.

I wondered if now, as the economy shows improvement, whether you are not seeing people fleeing the job for other jobs, or are they sticking with the company?

Mr. **Walker**. No. We are continuing to improve. My personal rationale is that driving a school bus is a very responsible job, and we don't pay high salaries nor do we allow them to draw unemployment during the summer.

One of our best markets, just from an operational standpoint, is a female who has not had any formal training, and for one reason or another, reenters the work force, and we can give them certification and training. I like the child care benefit because it makes us competitive. If they stay with us for 4 or 5 years, and have received a step raise each year; then we are very competitive. So philosophically, I think we will be able to keep those employees.

Chairman **Miller**. You also get to amortize your training investment over a longer period of time.

Mr. **Walker**. Yes, sir.

I believe that we experience 70 to 80 percent of the problems that an employee is going to encounter during their first 7 months. So if you don't retain these people you are running through that problem area over and over of course, our staffing problem has been more catalystic, because we have handled court orders for desegregation. So I think we need to be more responsive to these people. It has been a tough tour of duty.

I don't mean to be a reverse sexist, but most men are easier to train on the handling of the vehicle—but the primary difficulty in our job is dealing with students, and my reality is that women have more experience dealing with children. You tell most women to stop at a railroad track one time, and that is all you have to tell them. And loading and unloading is essentially the same. If a male is used to driving an 18-wheeler, he handles a vehicle extremely well. But you may have to remind them several times about loading and unloading and stopping at railroad tracks. So I guess I am sensitive in that regard.

Chairman **Miller**. Thank you for your time and contribution to our efforts.

Mr. Bliley?

Mr. **Bliley**. Mr. Chairman, I wondered if I could make the unanimous-consent request to keep the record open to receive that report, Ms. Schmalzried, that you are doing on effectiveness as far as retention is concerned?

Ms. **Schmalzried**. Yes.

[The following was submitted for inclusion in the record:]

Response From Beverly Schmalzried, to Chairman Miller's Questions

Question. What is the relationship between retention and child care?

Answer. Air Force members with families now comprise nearly two-thirds of total Air Force personnel. A 1980 Air Force study provided information about Air Force families, their gratifications, problems, and needs. Included in the report were findings regarding the relationships between various aspects of Air Force life and retention decisions.

This report identified child care as one of the most urgent needs of Air Force families, especially single parents and married military couples with children. Among the recommendations were that child care centers have longer hours to accommodate the military work schedule and far better quality programs.

The Air Force published a Morale, Welfare, and Recreation (MWR) Quantification Study in January 1983. The purpose of this study was to determine the effect of MWR programs on morale, mission accomplishment, discipline, retention and several other areas. The survey consisted of two phases: personal interviews with commanders ranging from detachment commanders to four-star level and a mail survey to active duty Air Force members worldwide. Every one of the 240 commanders interviewed stated that MWR was essential to mission accomplishment; 99.9 percent felt that there would be an adverse impact on family life if MWR were reduced or eliminated; and 96.4 percent saw a reduction in the retention rate if there were sizable reductions or elimination of MWR programs. Among the top MWR programs, according to the commanders, was child care. There was a strong similarity between the responses of the commanders and the active duty member mail survey.

Many Air Force parents rely on Air Force child care for their children. Among married parents, two out of three have used base child care facilities. Most parents are pleased with the service. However, improvements are still needed at some locations.

Chairman **Miller**. We will keep the record open for that purpose. Also, your testimony will raise additional questions as we go through, and we would like to be able to contact you in writing for some questions that we may raise later.

Thank you very much.

[Whereupon, at 12 noon, the committee recessed, to reconvene at 1:20 p.m., the same day.]

AFTERNOON SESSION

Chairman **Miller**. The committee will reconvene and we will hear from our third panel, which is made up of Jean English, who is the chief policy specialist for the Texas Department of Human Resources in Austin; Ann Schneider, who is the executive director, Neighborhood Centers, Inc., Houston; Gail Schmitt, district manager, Kinder-Care Learning Center, Deer Park; Jeannette Watson, governing board, National Association for the Education of Young Children, past president, Austin AEYC, past president, Southern Association for Children Under Six. She will be accompanied by Doug Meyer and Dave Connell.

Jean, if you will start off and identify yourself for the court reporter.

STATEMENT OF JEAN ENGLISH, CHIEF POLICY SPECIALIST, TEXAS DEPARTMENT OF HUMAN RESOURCES

Ms. **English**. Chairman Miller and Congressman Bliley, I am Jean English. I am with the Texas Department of Human Resources, the day-care standards and policy specialists for the licensing branch.

Texas child-care licensing law states its purpose as being the protection of the health, safety, and well being of children of the State who are in child-care facilities by: one, establishing statewide minimum standards for their safety and protection; and, two, regulating the facilities through a licensing program.

Since all facilities, unless specifically exempt, are required by law to be regulated and since the law prescribes that there shall be minimum standards, it is our belief that the standards adopted must be standards which are achievable and enforceable. The standards are the publicly agreed upon lowest level of care that the people of Texas will accept for children in out-of-home care. Many facilities, of course, achieve a quality of care much higher than the minimum.

The department inspects licensed facilities on a regular basis. In order to receive and retain a license, the facilities must maintain compliance with the standards. When facilities do not maintain compliance with the standards, their applications must be denied or their licenses must be revoked.

During the last fiscal year, 146 licenses and registrations were revoked or denied and 5 licenses were suspended. The department further has the responsibility of seeking injunctions against facilities which operate without regulation or in violation of standards. Last year, the department obtained injunctions against 14 facilities.

The Nation has viewed the Texas statute as a model licensing law. Changes do need to be made, and some of these will be addressed later.

The law requires licensing staff to inspect each licensed facility once each year in an unannounced visit and to investigate all complaints. In 1977, licensing staff were required to make quarterly inspection visits to each facility. Between 1978 and 1983, the number of regulated facilities increased by 53 percent but the number of licensing staff decreased by 43 percent.

Today, there are more than 25,000 facilities in regulation and approximately 123 day-care licensing inspectors. Currently, it is the department's policy to make a visit to each licensed facility at least every 9 months and to investigate all complaints concerning facilities.

The policy of the department in relation to family day-care homes is that visits are made only when a complaint is received concerning a home. The department is preparing a legislative request for a decreased allocation for adequate staff to increase the number of visits to licensed day-care facilities and to intensify regulation of registered family homes.

The figure that was quoted of 100,000 licensed slots was perhaps a 1977 statistic. Today the licensed capacity is more than 450,000.

The department is preparing a draft of revisions to minimum standards for all types of day-care facilities. Those standards will be proposed later this year and sent to every licensee and other interested persons for their review and comment.

Some of the changes which are being recommended include: more stringent standards related to the release of children to persons other than their parents; requirements that the facility have written plans for dealing with specific emergencies; and that they provide training to all staff concerning the emergency procedures; an increase in the director qualifications and in staff qualifications and a requirement raising the minimum age of the director from 18 to 21; decrease in the maximum number of children to be supervised by one staff person, and decrease in the maximum number of children in a group.

The law requires the department to offer consultation to potential applicants, applicants, and license and certificate holders about meeting and maintaining standards for licensing and toward achieving programs of excellence in child care, and to prospective and actual users of the facilities.

However, after the session in which the law was passed, there have been no funds allocated to provide these consultative activities.

The department is requesting funds in order to provide information to the public about licensing and about child care and in order to provide opportunities for regulated facilities to obtain training. In two State senate hearings conducted recently, public testimony indicated a great need for training for child-care staff.

The law requires that after receiving an application, the division shall investigate the applicant. Currently, when an individual requests to register or applies to operate a licensed child-care facility, the department does check its own records to determine if there is a record showing that the individual has been found to have abused or neglected a child.

If there is such a record, a study of that record is included in the investigation of the application and it is the policy of the department that the application is denied unless there are circumstances which would give the department reason to license the facility in spite of this record. In that case, the license can be issued only with the concurrence of the Director of Licensing.

In addition to the check of department records that takes place during the investigation of an application, there have been recommendations to the department that it undertake criminal investigation checks on applicants and staff in child-care facilities. The department is currently requesting authorization from the legislature to do such checks.

As across the Nation, family day care is a growing industry, there continues to be a divergence of opinion about the necessity for and the best method of regulation of family day care.

It is recognized that there are many families who choose to place their children in family day care as opposed to center care. There are many people who do provide family care, and the State has no interest in discouraging the provision of such care or the parent's option to place their children in this type of care.

However, it is almost impossible for the State to be aware of every family day home. In Texas, it is required that any individual who regularly cares for even one child who is not related to her must register with the licensing branch of the department.

It is the policy of the department that the individual who expresses an inquiry concerning registration is given registration materials including a set of minimum standards for registered family homes. The individual is required to fill out a request to register and return it to the department.

One of the items on the request to register is a statement by the provider that she will maintain compliance with minimum standards for registered family homes and that she will give the parent of every child in care a copy of the Parents' Guide to Registered Family Homes.

The Parents' Guide, produced by the department, includes a set of minimum standards so that the parents have the opportunity to know what is required of the registered family home and have the opportunity to make a determination regularly of the facility's compliance with requirements. The parents are also informed in the guide of their responsibility to report to the department noncompliances with the standards.

Earlier today, it was mentioned that the parents are in facilities usually twice a day and it is they that would be most apt to see noncompliance. It is hoped that if increased training opportunities are made available, that registered family home providers will participate in training and that this will improve the quality of care provided.

There are also recommendations concerning the possibility of requiring the individual operator of the home to be certified as a caregiver. In that case, the home in which the caregiver operates would not necessarily be regulated.

Other regulatory concerns of the department include the following.

Across the Nation, there seems to be an increase in abuse in child-care facilities, both physical and sexual abuse. The antiregulatory mood which has caused many States to experience staff reductions in a program that is regulating the care of some of society's most vulnerable and valuable citizens, and the church-state issue in the regulation of religiously sponsored child-care facilities.

In closing, it is hoped that additional staff, more training, and revised standards and procedures will result in further reductions of risk, better care for children outside of their own homes and enhanced public support for a vital regulatory program.

Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Jean English follows:]

PREPARED STATEMENT OF JEAN ENGLISH, DAY CARE STANDARDS AND POLICY SPECIALIST FOR THE LICENSING BRANCH OF THE TEXAS DEPARTMENT OF HUMAN RESOURCES

Mr. Chairman, members of the select committee, my name is Jean English. I am the Day Care Standards and Policy Specialist for the Licensing Branch of the Texas Department of Human Resources. We thank you very much for inviting our office to present information concerning the day care licensing program in Texas.

BACKGROUND

In comparing licensing programs across the nation, it is necessary to compare not only the standards by which the facilities are regulated and the varying definitions of types of facilities, but the philosophy of regulation, including the statutory base for regulation. In Texas, the child care licensing law became effective January 1, 1976. It has been codified into law as Chapter 42 of the Human Resources Code. The law states the purpose as being the protection of the health, safety and well-being of children of the state who are in child care facilities by: (1) establishing statewide minimum standards for their safety and protection, and (2) regulating the facilities through a licensing program. Since all facilities, unless specifically exempt, are required by law to be regulated and since the law prescribes that there shall be *minimum* standards, it is our belief that the standards adopted must be standards which are achievable and enforceable. We believe that the standards are the publicly agreed upon lowest level of care that the people of Texas will accept for children in out of home care. Many facilities, of course, achieve a quality of care much higher than the minimum. The Department inspects licensed facilities on a regular basis. In order to receive and retain a license, the facilities *must* maintain compliance with the standards. By law, when facilities do not maintain compliance with the standard, their applications must be denied or their license must be revoked. During the last fiscal year 146 licenses and regulations were revoked or denied and five licenses were suspended. The Department further has the responsibility of seeking injunctions against facilities which operate without regulation or in violation of standards. Last year the Department obtained injunctions against fourteen facilities. Many people across the nation have viewed the Texas statute as a model licensing law. We recognize some changes which do need to be made and some of these will be addressed later.

Last September press coverage of day care and the licensing program in Texas caused the Commissioner and the Board of Human Resources to request a review of the licensing program by Department staff. A review committee began its work in October and presented its report to the Board of Human Resources and the Commissioner at the Board's February meeting. The recommendations of that committee for changes in the licensing program were accepted by the Board and the Department has begun the process of implementing the recommendations.

VISITS TO FACILITIES

The child care licensing law requires licensing staff to inspect each licensed facility once each year in an unannounced visit and to investigate all complaints. In 1977 licensing staff were required to make quarterly inspection visits to each facility. Between 1978 and 1983 the number of regulated facilities increased by 53% and the number of licensing staff decreased by 43%. Today there are more than 25,000 facilities in regulation and approximately 123 day care licensing inspectors. Currently, it is the Department's policy to make a visit to each licensed day care facility each 6–9 months and to investigate all complaints concerning facilities. The policy of the Department in relation to registered family homes is that visits are made only when a complaint is received concerning a home. A registered family home cares for no more than 12 children in the provider's own home. The Department is preparing a legislative request for an increased allocation for adequate staff to increase the number of visits to licensed day care facilities and to intensify regulation of registered family homes.

STANDARDS

The Department is currently preparing a draft of revisions to minimum standards for all types of day care facilities. Those standards will be proposed later this year and sent to every licensee and other interested persons for their review and comment after which a revised draft will be presented to the Board for adoption to become effective around the first of next year. Some of the changes which are being recommended include: More stringent standards related to the release of children to persons other than their parents; more specific requirements on information the facility must obtain from parents concerning the medical history of the children; requirement that there be a person at the facility at all times trained in cardiopulmonary resuscitation and a person at the facility at all times trained in first aid; requirements that the facility have written plans for dealing with specific emergencies; and that they provide training to all staff concerning the emergency procedures; requirements for smoke detectors and emergency lighting in facilities; requirements that fire, sanitation and licensing inspection reports be posted at the facility for parents and public to read; requirements concerning fall zone safety under play equipment; requirements for additional emergency telephone numbers to be posted; requirements for child safety restraint devices to be used in the transportation of children; an increase in the director qualifications and in staff qualifications and a requirement raising the minimum age of the director from 18 to 21; a requirement that facility staff provide a list of previous employers; decrease in the number of children to be supervised by one staff person and decrease in the maximum number of children in a group; and specialized staff-child ratio requirements for field trip activities.

TRAINING

In addition, there are recommendations that funds be made available for increased training to child care providers. The law requires the Department to offer consultation to potential applicants, applicants, and license and certificate holders about meeting and maintaining standards for licensing and toward achieving programs of excellence in child care, and to prospective and actual users of the facilities. However, after the session in which the law was passed there have been no funds to provide these consultative activities. The Department is requesting funds to provide these consultative activities. The Department is requesting funds in order to provide information to the public about licensing and about child care and in order to provide opportunities for regulated facilities to obtain training. In two state senate hearings conducted recently, public testimony indicated a great need for training for child care staff. Child care experts across the state requested that licensing standards be increased to require more training for child care staff. Facilities requested that the Department provide training and make facilities aware of opportunities for staff training.

As a part of the licensing review, the Department compared Texas' licensing program with the ten most populous states and New York City and found that Texas was one of only two states which required orientation for new staff in a facility and required a specified amount of in service training for staff in licensed facilities. There is a recommendation that we increase the orientation requirements and increase the required number of hours. Standards currently require that staff and director must have 12 clock hours of training each year. There is a recommendation to increase the requirement to 15 clock hours eacy year for facility staff and 20 clock hours each year for the director of a licensed facility. There is no training requirement for the registered family home caregiver and there are recommendations that a requirment for 15 clock hours of training each year be added to the registered family minimum standards.

DEPARTMENT STAFF TRAINING

The Department's review committee made several recommendations concerning training. Some of those recommendations were not increased training of Department staff: Specialized complaint investigators in licensing; complaint investigators in protective services who investigate abuse and neglect complaints in child care facilities; and specialized training for licensing supervisory staff.

INVESTIGATING THE APPLICANT

The law requires that after receiving the application, the division shall investigate the applicant. Currently when an individual requests to register or applies to operate licensed child care facility, the Department does check its own records to determine if there is a record showing that the individual has been found to have abused or neglected a child. If there is such a record, a study of that record is included in the investigation of the application and it is the policy of the Department that the application is denied unless there are circumstances which would give the Department reason to license the facility in spite of this record. In that case, the license can be issued only with the concurrence of the Director of Licensing.

In addition to the check of department records that takes place during the investigation of an application, there have been recommendations to the Department that it undertake criminal investigation checks on applicants and staff in child care facilities. The Department is currently requesting authorization from the legislature to do such checks. We are also exploring with the Texas Department of Public Safety the method by which such checks could be undertaken, We currently are authorized to do criminal investigations checks on applicants and licensees but not on facility staff.

In all sets of standards there is a prohibition against any person being present at the facility who has been convicted of or has pending an indictment or official criminal complaint in the areas of commission of a felony or misdemeanor classified as an offense against the person or family or public indecency or felony violation of the Texas controlled substances act. It would be in these areas that our criminal record checks would center, ie. unless there had been a conviction in one of these areas a criminal record would not be a basis for revocation or denial of a license.

FAMILY DAY CARE

One of the areas which licensing staff are studying carefully at this time is the regulation of family day care. As across the nation family day care is a growing industry, there continues to be a divergence of opinion about the necessity for and the best method of regulation of family day care. It is recognized that there are many families who choose to place their children in family day care as opposed to center care. There are many people who do provide family care, and the state has no interest in discouraging the provision of such care or the parent option to place their children in this type of care. However, it is almost impossible for the state to be aware of every family day home. In Texas, it is required that any individual who regularly cares for even one child who is not related to her must register with the licensing branch of the Department of Human Resources. It is the policy of the Department that the individual who expresses an inquiry concerning registration is given registration materials including a set of Minimum Standards for Registered Family Homes. The individual is required to fill out a request to register and return it to the Department. One of the items on the request to register is a statement by the provider that she will maintain compliance with minimum standards for registered family homes and that she will give the parent of every child in care a copy of the Parents' Guide to Registered Family Homes. The Parents' Guide, produced by the Department, includes a set of minimum standards so that the parents have the opportunity to know what is required of the registered family home and have the opportunity to make a determination regularly of the facility's compliance with requirements. The parents are also informed in the guide of their responsibility to report to the department noncompliances with the standards.

Frequently it is alleged that there are many, many homes operating without the knowledge of a regulatory office. In Texas, a pattern is very clear. In 1975, prior to the enactment of the child care licensing law, Texas had 1900 licensed facilities in this category. On August 31, 1976, there were 2,520 registered family homes. On August 31, 1980, there were 11,134 registered family homes and on April 26, 1984, there were 17,851 registered family homes in the state. We feel sure that a larger percentage is regulated today than in 1975. But the trade off has been the stringency of regulation. Shortly after the homes were required to be registered, we began a media campaign to inform people of the requirements of registration. Included in that campaign was the statement that Licensing staff would not be regularly inspecting the homes. There are many people who believe that the "threat" of licensure is greater than that of registration and that to impose licensure on family day homes causes many homes to operate underground as opposed to allowing them to declare themselves to the state as offering service. Experience would also indicate that many parents are more in support of registration than of licensing.

In addition to the legal requirement, an incentive to individuals to make their activity known is the availability of consultation and resources from the USDA food program. In Texas there are several organizations which are making the food program available to registered family homes.

It is hoped that if increased training opportunities are made available that registered family home providers will participate in training and that this will improve the quality of care provided.

There are persons who believe that all family day homes should be required by law to belong to a child placing agency or to an association of family day homes which certifies that the homes are meeting standards. In Texas, we license agencies which operate family day home systems. However, a day home is not required to be a part of such a system. The majority operate independently.

There are also recommendations concerning the possibility of requiring the individual operator of the home to be certified as a caregiver. In that case the home in which the caregiver operates would not necessarily be regulated.

OTHER CONCERNS

Other regulatory concerns of the Department include the following:

Across the nation there seems to be an increase in abuse in child care facilities, both physical and sexual abuse. It is possible, of course, that a part of the increase can be accounted for by the fact that regulatory agencies have become more aware of the possibility of such abuse in facilities and that because of press coverage parents are becoming more aware of and willing to report such abuse. There is a continuing need to inform parents and the public of their responsibility of vigilant awareness of what goes on in their children's care arrangements and of the responsibility to report situations which are believed to be abusive.

The Department regrets the elimination of the day care divisions in the Department of Health and Human Services. The information dissemination role which was played by that division seems not to have been picked up entirely in the Department reorganization.

A concern; that the anti-regulatory mood which is a reality across the nation for economic reasons has infected the regulation of child care facilities. Many states have experienced staff reductions in a program that is regulating the care of some of society's most vulnerable and valuable citizens.

A concern over a continuing issue in several parts of the country, including Texas, the church state issue in the regulation of religiously sponsored child care facilities. In Texas religion is not a basis for exemption under the child care licensing act. In the last legislative session a bill was introduced which would have exempted religious schools from regulation. The bill was amended to exempt all private schools meeting certain criteria. Therefore, religious facilities were not set apart from other private schools.

In Texas, as in other states, there are several law suits in progress concerning the state's right and responsibility in regulating religious child care facilities.

CLOSING

In closing, I would like to say that licensing staff are acutely aware of the importance of the work they do as it relates to reducing the risks to children in day care. I believe licensing staff have an earnest desire to do a thorough and effective job. With over 500,000 children in regulated day care facilities in Texas a significantly small number of children are injured as a result of violation of minimum standards or the law. In spite of staff reductions, licensing staff are enforcing the minimum standards and taking enforcement actions against noncomplying facilities on a daily basis. It would be unrealistic however, to view the licensing program as an insurance policy—it is risk reduction, not risk elimination. It is hoped that additional staff, more training, and revised standards will result in further reductions of risk, better care for children outside their own homes, and enhanced public support for vital regulatory program.

Chairman **Miller**. Ann Schneider.

STATEMENT OF ANN SCHNEIDER, DIRECTOR OF ADMINISTRATIVE SERVICES, NEIGHBORHOOD CENTERS, INC.

Ms. **Schneider**. I am Ann Schneider, the director of administrative services for Neighborhood Centers. We are a United Way agency, providing services in the Houston area since 1907. We receive funding from the United Way, the Department of Human Resources, the city of Houston, fees and private contributions.

Day care is one of many services that Neighborhood Centers provides. We operate six day-care centers, 80 family day homes and a vendor voucher system in which we use over 200 private day-care centers.

We have 1,400 children in day care on a daily basis. We also have a program which provides temporary day-care subsidies for families experiencing financial crises as a result of medical or employment problems.

Our Chatters program offers telephone reassurance and training to latch-key children, and we operate a preschool program to prepare non-English-speaking children to enter public schools. We have an after-school program to provide after-school care for school-age elementary children.

There are many different reasons for providing day care and the reasons for providing day care are based on the needs and interests of the various funding sources. The funding sources for day care include families with children in care, corporations, governmental bodies, and private nonprofit philanthropic organizations.

Child care is provided in a number of different settings. Day care centers provide group care. Family day homes provide care for children in small groups in the caregiver's own home. Day care may also be provided by a person who comes into the child's home.

Licensing or regulation of day care is performed by governmental bodies. Licensing standards usually relate to staff-child ratios, space per child, fire, safety and health standards. Day care professional groups also set quality of care standards.

The real choice in day care relates to the quality of care provided, rather than the setting in which it is offered. The quality of day care may range from custodial care or baby sitting to specific curriculum focusing on child development and learning. In addition, ancillary services such as health screening, nutrition, and counseling may be offered to families.

The type of day care chosen is the result of two primary factors: the reason(s) that child care is needed; and the amount of money to be spent for care.

High quality day care clearly costs more than custodial care. The necessary ingredients in high quality child care are: equipment, materials, and staff. Of these three ingredients, staff are the most important factor in providing high-quality child care.

Several factors affect the quality of day-care staff, including: one, the number of staff available, staff/child ratio, to provide children with individual attention; two, the knowledge staff have of child development and the needs of children; three, the amount of experience staff have working with children; four, the amount of staff turnover—children need consistency from the adults in their lives and constant staff turnover creates confusion and concern for children.

Staff turnover can be reduced by providing staff with an adaquate salary plan, a fair fringe benefits package and an opportunity for job satisfaction. The funding source has the final determination of the type and quality of day care provided.

Frequently economic realities, rather than the well being of the children in care, dictate the type and quality of day care in a community.

When considering subsidizing day care for low-income or welfare families to obtain employment, the costs and benefits to the families and governmental funding sources should be weighed.

Consider the example of an AFDC mother who is earning $3.35 an hour from employment, earning $134 weekly, who has three children in Government subsidized day care. The cost of the day care subsidy is $150 a week, or $16 a week more than what she earns from employment. Is this a sound use of Government funds?

Further, how much education and training does that AFDC mother need before she is able to even obtain a job? If she has less than an eighth grade education, has never worked, has little awareness or understanding of the world of work and its requirements, and is not motivated toward work, is it realistic to assume that a short-term training program can adequately prepare her for employment?

How much does an AFDC mother have to earn through employment to offset the benefits she is receiving from the Government's welfare system? These benefits include a monthly welfare grant, medicaid, food stamps, subsidized rent and utilities, and local charity assistance.

Although all parents want high-quality day care for their children, can they afford to pay the full costs of care? Or, because of economic limitations, are parents forced to select and use low-cost and low-quality child care even though they recognize and believe in the value of high-quality programs?

Can Government funding sources continue to purchase care from day-care programs at an amount less than the actual cost of care?

Are Government funding sources stretching their resources so far in order to reach the greatest number of children that they are diluting the quality of services offered?

Are Government funding sources forcing service providers to be so concerned about containing costs for day care that the providers have lost sight of the importance of high-quality care?

For example, title XX is administered differently in each State. In Texas, title XX pays a flat rate per day per child. The State is not considering the cost to a center of meeting day-care licensing standards. Thus, a dichotomy exists in Texas in which the State sets day-care licensing standards but does not take the cost of meeting these standards into consideration when reimbursing under title XX.

Funding sources should evaluate carefully their basic interests in child-care programs. The level of their financial support should relate to the type of program selected, and should be based on an accurate and realistic understanding of the cost of that service.

Over the past 20 years, we have seen a gradual increase in the number of for profit day-care centers, both large national chains, and independent family-owned and operated centers.

The current day-care delivery system is a combination of for-profit, Government supported, and philanthropic nonprofit day-care centers.

The public educational system is beginning to express an increased interest in providing day-care services. In the future, the public schools may be assuming the responsibility for the provision of day-care services. This public school involvement may be independent of, in addition to, or in cooperation with the existing day-care delivery system.

In summary, the following factors should be considered. What family groups should be served by subsidized child care?

What are the goals set for the child-care program? Are these goals realistic? Are they affordable?

What type of quality child care should be provided? Who will set the standards?

Do funding sources know the true cost of child care? Are they willing to pay this cost? Are they willing to support, financially, child-care systems which will offer quality child care?

Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Ann Schneider follows:]

PREPARED STATEMENT OF ANN SCHNEIDER, NEIGHBORHOOD CENTERS, INC.

THE REASONS FOR DAY CARE

There are many reasons for providing day care outside a child's home. The reasons differ depending upon the needs and interests of the various funding sources. Funding sources include families *with* children in care, corporations, governmental bodies and private non-profit philanthropic organizations.

The Family—A family's reason for wanting day care for their children to be provided outside of their own home are: To enable the parents to work; to provide children with a positive pre-school experience and prepare them for school; and to provide children with the opportunity to interact with other children their own ages.

The Corporation—A corporation's reasons for providing day care for the children of its employees are: To provide employees with an additional fringe benefit; to improve employee productivity by reducing interruptions and distractions to work related to day care; to recruit qualified employees; and to reduce employee absenteeism because of day care problems.

The Government—Public funding of day care services comes from federal, state and city governments. Reasons for public funding of day care are: To prevent child abuse and reduce child neglect; to allow low income families to obtain day care services; to allow low income adults to return to school, receive job training, or work; to enable families receiving welfare to obtain jobs outside their homes in order to get off welfare and become self-supporting; to provide children from low income families with additional stimulation and learning experiences; to provide children from welfare families with the education and stimulation necessary to help them break out of "the welfare cycle;" and to respond to pressure from feminist groups for day care.

THE TYPES OF DAY CARE

Child care is provided in a number of different settings. Day care centers provide group care, with group size determined by government regulatory standards for state licensed centers. Family day home provide care for children in small groups in the "care-givers" own home. Day care may also be provided by a person who comes into the child's home during the day when the parents are at work.

Licensing or regulation of day care is performed by governmental bodies. Licensing standards usually relate to staff-child ratios, space per child, fire, safety and health standards. Licensing standards primarily apply to day care centers, with family day homes regulated by much less stringent standards. Day care professional groups also set quality of care standards.

The real choice in day care relates to the quality of care provided, rather than the setting in which it is offered. The quality of day care may range from custodial care or baby sitting to specific curriculum focusing on child development and learning. In addition, ancillary services such as health screening, nutrition and counseling may be offered to families.

The type of day care chosen is the result of two primary factors: The reason(s) that child care is needed; and, the amount of money to be spent for care.

THE COSTS OF HIGH QUALITY DAY CARE

High quality day care clearly costs more than custodial care. The necessary ingredients in high quality child care are: equipment; materials; and, staff.

Of these three ingredients, staff are the most important factor in providing high quality child care. Several factors affect the quality of day care staff including: (1) the number of staff available (staff/child ratio) to provide children with individual attention; (2) the knowledge staff have of child development and the needs of children; (3) the amount of experience staff have working with children; and (4) the amount of staff turnover (Children need consistency from the adults in their lives and constant staff turnover creates confusion and concern for children.).

Staff turnover can be reduced by providing staff with an adequate salary plan, a fair fringe benefits package which includes health insurance and retirement, and an opportunity for job satisfaction through training and the availability of adequate equipment and materials.

FUNDING CONSIDERATIONS

The funding source has the final determination of the type and quality of day care provided. Frequently economic realities, rather than the well-being of the children in care, dictate the type and quality of day care in a community.

THE COSTS AND BENEFITS OF DAY CARE

When considering subsidizing day care for low income or welfare families to obtain employment, the costs and benefits to the families and governmental funding sources should be weighed.

Consider the example of an AFDC mother, who is earning $3.35 an hour from employment (earning $134 weekly), who has 3 children in government subsidized day care. The cost of the day care subsidy is $150 a week, or $16 dollars a week more than what she earns from employment. Is this a sound use of government funds?

Further, how much education and training does that AFDC mother need before she is able to even obtain a job? If she has less than an eighth grade education, has never worked, has little awareness or understanding of the world of work and its requirements, and is not motivated toward work, is it realistic to assume that a short-term training program can adequately prepare her for employment?

How much does an AFDC mother to earn through employment to offset the benefits she is receiving from the government's welfare system? These benefits include a monthly welfare grant, medicaid, food stamps, subsidized rent and utilities, and local charity assistance.

Will the fringe benefits received from an employer even come close to matching her current benefits from AFDC? Further, how many minimum wage jobs provide any fringe benefits at all?

Although all parents want high quality day care for their children, can they afford to pay the full costs of care. Or, because of economic limitations, are parents forced to select and use low cost (and low quality) child care even though they recognize and believe in the value of high quality programs?

Can government funding sources continue to purchase care from day care programs at an amount less than the actual cost of care? In other words, can government funding sources expect private day care programs to subsidize the government subsidized clients?

Are government funding sources stretching their resources so far in order to reach the greatest number of children, that they are diluting the quality of services offered? Are government funding sources forcing service providers to be so concerned about containing costs for day care that the providers have lost sight of the importance of high quality care?

In dealing with the many issues and options available, funding sources should evaluate carefully their basic interests in child care programs. Based on their interests, they should then make public to all concerned the types of programs that they are choosing to support. The level of their financial support should relate to the type of program selected, and should be based on an accurate and realistic understanding of the cost of that service.

THE DAY CARE DELIVERY SYSTEM

After examining the reasons, types, elements, costs, funding sources and benefits of day care, the delivery system itself should be examined. Before 1962, with the exception of World War II, day care was provided by non-profit social service organizations. Since 1962, there has been a gradual increase in government interest and support for day care. This government supported day care has been provided through the existing social service and social welfare legislation.

Over the past 20 years we have seen a gradual increase in the number of for-profit day care centers, both large national chains, and independent family owned and operated centers. The current day care delivery system is a combination of for-profit, government supported, and philanthropic non-profit day care centers.

The public educational system is beginning to express an increased interest in providing day care services. In the future, the public schools may be assuming the responsibility for the provision of day care services. This public school involvement may be independent of, in addition to, or in cooperation with the existing day care delivery system.

SUMMARY: THE FOLLOWING FACTORS SHOULD BE CONSIDERED

What family groups should served by subsidized child care?

What are the goals set for the child care program? Are these goals realistic? Are they affordable?

What type of quality child care should be provided? Who will set the standards?

Do funding sources know the true cost of child care?

Are they willing to pay this cost? Are they willing to support, financially, child care systems which will offer quality child care?

Chairman MILLER. Gail Schmitt?

STATEMENT OF GAIL SCHMITT, DISTRICT MANAGER, KINDER-CARE LEARNING CENTER

Ms. SCHMITT. My name is Gail Schmitt. I am a district manager with Kinder-Care Learning Centers. On behalf of Kinder-Care, I wish to thank the committee for the opportunity to give this testimony.

Kinder-Care currently operates 815 centers throughout the country serving approximately 83,000 children of America's young working families.

For working parents, the hours they are away from their child can be the longest hours of the day. In an effort to provide quality licensed child care at an affordable cost, we offer full- and part-time care, before and afterschool programs, summer activities, and 24-hour care where parents work in shifts around the clock.

Recognizing that approximately 52 percent of American women are working and that by the year 1990 over two-thirds of our female population will be in the work force, we have a serious issue to address. Kinder-Care and enlightened business management recognized the new wave of the future by showing concern for the employee and their needs: quality child care at an affordable cost.

Many employers are realizing the benefits of lower absenteeism and less employee turnover by contributing to quality child care for their employees' children. Kinder-Care Learning Centers began offering employer sponsored child care, entitled Kindustry, in the spring of 1981.

Kindustry is a cooperative effort between Kinder-Care and industry designed specifically for working families who need child care. Kinder-Care, the Nation's leading child care provider, recognizes that with the increasing number of women entering the work force, and the stringent application of Federal EEOC laws and regulations, business must offer a variety of competitive benefits to attract and retain qualified personnel.

In several instances, notably Campbell Soup Co. and CIGNA, we operate an onsite facility for the children of the employees. Kinder-Care through the Kindustry program offers an array of options from onsite management of operations to on-site construction or renovations.

Although business participation has been limited, attributable primarily to the lack of regulatory guidance by the IRS, Kinder-Care currently maintains 72 Kindustry accounts across the country with three in Texas.

To date, industry has expressed little interest in day care. However, with Kindustry there is no need for a company to invest in the overhead, furnishings, the support materials, and the construction costs of a child care facility.

Now business can take advantage of Kinder-Care's time-tested expertise and experience and offer to employees a comprehensive benefit package that includes the highest quality, most economical child care available today. Discounts on the cost of tuition at Kinder-Care will be made to employees of participating companies.

Kindustry works much like any employer group benefit plan because Kinder-Care shares in the cost of the child care benefit with the company, but it is unique because Kinder-Care offers a direct discount of 10 percent which is matched by the company. Kindustry is flexible; it may be handled through payroll deductions or tailored to fit a company's specific needs.

As a participating employer giving child care benefits, a company is making a public, moral, and philosophical statement showing support of employees and concern for working families and their children's needs.

Kinder-Care, believing that quality child care is a good investment in a child's future, regardless of race, creed, or economic status, is happy to be involved with Neighborhood Centers, Inc., in Houston as a vendor for subsidized child care.

We hope that Congress will direct its attention to legislation that will provide more spendable dollars directly to the parents, rather than spending dollars on direct and duplicate child care services. This type of support can be achieved through an improved and equitable child care tax credit or additional incentives to businesses to pursue partnerships with the child care community.

Additionally, we believe that by providing more spendable child care dollars to working parents through an improved child care tax credit, more working parents would be able to avail themselves of the licensing child care arrangements of their choice.

An improved financial outlook would enable more parents to purchase quality, licensed child care in order to seek employment rather than rely on social service support and enable those families with low incomes to have the added resources to obtain child care, and remain in the work force.

Child care tax credit dollars can fuel the market, and the private sector can expand to meet the increased demand without direct Federal Government involvement in providing child care.

As the select committee focuses on child care, we urge you to recognize that we all have the same goal: to increase the quality and quantity of affordable, accessible child care services to America's young working families. To accomplish this goal, we must create partnerships between providers and communities and businesses.

We all recognize the wisdom of our investments in today's children by providing them with the opportunity to develop skills and to grow in a healthy, safe environment with adequate supervisions and stimulation. This investment will generate productive, contributing adult citizens for tomorrow's society.

Thank you very much.

Chairman MILLER. Thank you.

[Prepared statement of Gail Schmitt follows:]

PREPARED STATEMENT OF GAIL SCHMITT, DISTRICT MANAGER, KINDER-CARE LEARNING CENTER, INC.

On behalf of Kinder-Care Learning Centers, Inc., I wish to thank the Committee for the opportunity to give testimony on Children, Youth and Families. Kinder-Care currently operates 815 centers throughout the country; serving approximately 85,000 children of America's young working families.

For working parents, the hours they are away from their child can be the longest hours of the day. In an effort to provide quality licensed child care at an affordable cost, we offer full and part time care, before and after school programs, summer activities, and twenty-four hour care where parents work in shifts around the clock.

Recognizing that approximately 52 percent of American women are working and that by the year 1990 over two-thirds of our female population will be in the work force, we have a serious issue to address. Kinder-Care and enlightened business management recognized the new wave of the future by showing concern for the employee and their needs; quality child care at an affordable cost. Many employers are realizing the benefits of lower absenteeism and less employee turnover by contributing to quality child care for their employees' children. Kinder-Care Learning Centers began offering employer sponsored child care, entitled Kindustry, in the spring of 1981.

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As a participating employer giving child care benefits, a company is making a public, moral, and philosophical statement showing support of employees and concern for working families and their children's needs.

Kinder-Care, believing that quality child care is a good investment in a child's future, regardless of race, creed, or economic status, is happy to be involved with Neighborhood Centers, Inc. in Houston as a vendor for subsidized child care.

We hope that Congress will direct its attention to legislation that will provide more spendable dollars directly to the parents, rather than spending dollars on direct and duplicate child care services. This type of support can be achieved through an improved and equitable child care tax credit or additional incentives to businesses to pursue partnerships with the child care community.

Additionally, we believe that by providing more spendable child care dollars to working parents through an improved child care tax credit, more working parents would be able to avail themselves of the licensed child care arrangements of their choice. An improved financial outlook would enable more parents to purchase quality, licensed child care in order to seek employment rather than rely on social service support, and enable those families with low incomes to have the added resources to obtain child care and remain in the work force. Child care tax credit dollars can fuel the market, and the private sector can expand to meet the increased demand without direct Federal government involvement in providing child care.

As the Select committee focuses on child care, we urge you to recognize that we all have the same goal . . . to increase the quality and quantity of affordable, accessible child care services to America's young working families. To accomplish this goal, we must create partnerships between providers and communities and businesses.

We all recognize the wisdom of our investments in today's children by providing them with the opportunity to develop skills and to grow in a healthy, safe environment with adequate supervision and stimulation. This investment will generate productive, contributing adult citizens for tomorrow's society.

EMPLOYER SPONSORED CHILD CARE—A BENEFIT FOR FAMILIES AND BUSINESS, TOO

By 1990, 60 percent of American women will be employed and almost half of the American workforce will be female. The percentage has risen from only 12 percent of mothers with children under 6 working in 1947 to more than 47 percent in 1980. Twenty two million children under the age of 13 are in working families and only half of these children have identifiable child care arrangements.

This year the White House Task Force on Private Sector Initiatives has focused on employer sponsored child care through a series of meetings held around the country, designed to increase the awareness of working families' needs for child care. These meetings are hosted by chief executive officers of local companies for their colleagues. It is believed these meetings spark interest in the business community for child care alternatives. Employer sponsored child care accounts for less than one percent of the market; but, at the same time is the fastest growing type of care today.

According to employers, the major benefits to their business are decreased turnover and lower absenteeism, enhancement of recruitment, improved productivity, positive public relations and company image. Employees report improved morale, reduced tardiness, less need for overtime and less need for temporary or substitute help as well as scheduling flexibility. Employer sponsored care comes in many forms. Some centers are on-site company owned or contract managed. Some centers are owned by community groups and supported by business and many are private, for-profit centers accepting vouchers or contract payment for care. Companies with child care benefits range in size from small, family owned business to large corporations. The large companies tend to have centers on-site or near the workplace. These companies also tend to have a larger workforce of women . . . often as many as 75 percent of their employed. Small companies tend to provide vouchers or direct support to local community and neighborhood facilities. Some companies have information and referral programs to help employees find quality licensed care.

A good example of Kindustry is the participation of Kentucky Fried Chicken employees in nine centers in Louisville, Kentucky. The employees have the option to select the center of their choice, near home or the workplace. Employers who participate agree that benefit based child care is good business and employees second that view because of peace of mind and convenience, not to mention the positive aspect of an employer who recognizes and meets a need in a professional manner. Hundreds of inquiries come to Kinder-Care headquarters in Montgomery, Alabama monthly. Awareness of this concept is increasing, and coupled with the tax benefit, it is making employer sponsored child care the fastest growing market today!

The Economic Tax Act of 1982 made child care a bonafide tax-free benefit for employees which means this benefit is tax-free income. Both employers and employees can benefit from a variety of deductions and credits available through the federal tax structure. Several states have passed or are considering child care tax provisions. The child care tax credit allows working parents to claim up to 30 percent of their child care expenses depending on family income; and with few exceptions, the cost of child care benefits is a deductible business expense for the employer. It is a good business decision . . . it is a partnership in which everyone benefits . . . the child. the working parent and the employer. It is the brightest benefit on the business horizon.

In 1981 Kinder-Care Learning Centers began its Kindustry Plan. Over the last three years more than 100 employers have participated in this benefit based child care plan. Now with more than 800 centers in 40 states and Canada, Kinder-Care operates centers on-site for companies such as Campbell Soup in Camden, New Jersey, CIGNA in Hartford, Connecticut and Walt Disney World at Lake Buena Vista, Florida. These centers offer reduced child care to employees and are open to the community at large when the employer needs are met. The most common form of Kindustry is utilization of neighborhood centers by parents who receive a 10 percent discount from Kinder-Care and a matching 10 percent or more from their employer. The charges are payroll deductible and the billing is bi-monthly from Kinder-Care. The process is so convenient that both payroll and personnel administrators are comfortable with the process. The benefit appeals to all types of business and health care. Small, well managed businesses led by concerned executives have sought out Kindustry to assist in recruiting the top notch people and retaining well trained employees. Working parents appreciate the acknowledgment that child care is a major budget expense for them and once a participant in Kindustry their morale, peace of mind and productivity increase.

Chairman MILLER. Ms. Watson?

STATEMENT OF JEANNETTE WATSON, GOVERNING BOARD, NATIONAL ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN

Ms. WATSON. We are delighted to have you in Dallas. I am Jeannette Watson, and I am speaking today as a member of the governing board of the National Association for the Education of Young Children; also, as a former director of the Texas Office of Early Childhood Development, and almost a quarter of a century of advocating for young children's programs. I want you to know that we are very pleased with the child-care initiative of the Select Committee on Children, Youth and Families. It is most welcomed by the early childhood profession.

The committee's interest in innovative initiatives in the field of child care is both timely and most appropriate. I want to tell you about a major, national effort that has been initiated by NAEYC to improve the quality of group programs for young children in this country.

Over 2½ years ago, NAEYC began developmental work on its most challenging task to date—a long-term, private sector response to the problem of promoting good quality group programs for young children and of offering both parents and caregivers a practical means for identifying those quality programs. The result of this effort is NAEYC's Center Accreditation Project, which I will refer to as CAP.

The CAP will be a national, voluntary accreditation system for early childhood centers and schools serving children from birth through age 5 and 5 through 8-year-olds before and after school.

The developmental work that has been done so far is currently being field tested in four areas of the country. It is particularly appropriate that this hearing should be held here in Dallas since Dallas is one of the four field test sites for the CAP.

Why has NAEYC committed to such an effort at this time? The increased need for child care in this country is a well-known fact. All parents who choose to use child care deserve the assurance that their children will receive good care in their absence.

It is apparent that in response to the tremendous need, group care programs for young children will increase in quantity. It is essential that an increase in quality of programs occurs simultaneously.

Currently, parents have little assurance that the group program they select is safe, healthy, and developmentally sound. At a time when the number of programs is increasing rapidly, there is a diminishing public role in the regulation of child care.

In response to these needs, NAEYC, as the largest professional association of early childhood educators in the country, initiated the CAP. It represents an attempt by the early childhood profession to exert major leadership in improving the quality of services offered by the profession and also to apply the vast knowledge base which exists in this field to improvement of professional practice.

The purpose of the CAP is to improve the quality of group programs for all families who choose to use them. This purpose cannot be achieved by simply inspecting centers, approving some and failing others.

NAEYC's approach to accreditation is to involve centers in a systematic process of self-evaluation and improvement, provide access to information and resources needed for improving programs, and facilitate linkages with other programs with similar goals and needs.

NAEYC's approach to accreditation is as inclusive as possible: not by degrading standards but by working with centers to make program improvements. Although more difficult, I think this approach will ultimately be of greater benefit to children and families.

NAEYC's center accreditation project is designed to meet the unique needs of the child care community. It is based on the concept of collaboration. The participants in the program—directors, staff members, parents, and children—work together to assess and improve the quality of the program. At the same time, NAEYC works with programs to assist them in obtaining the information and resources that are necessary for program improvement.

Early childhood centers and schools will have positive incentives for choosing to participate in CAP: access to information and resources, materials for staff training, professional recognition by colleagues, and the community recognition that comes from achieving and maintaining accreditation. Parents and employers who participate in the financial support of child care will be able to identify accredited centers and to obtain information about the criteria used to establish accreditation.

NAEYC's Center Accreditation Project represents a commitment on the part of early childhood professionals to ensuring that good quality early childhood programs are provided to all families in this country.

Program personnel who voluntarily choose to participate will demonstrate a commitment to their own professional development. Parents will benefit from this not only by being able to identify good programs for their children but by working with professionals to improve the quality of programs in which their children are enrolled. No nationwide system currently exists to assist parents as consumers in identifying good quality programs.

Regarding child care in Texas, which was another point that I was asked to speak to, I have just one statement: We don't really know the quality of care overall at this particular moment in Texas because of the drastic dollar cuts in State staffing and the dramatic increase in child caring facilities.

You heard Jean English speak to the fact that there has been a 53-percent increase in the number of facilities and yet there has been a 43-percent decrease in the number of State staff.

I think that improvements can be achieved in Texas with an increased funding for training opportunities for child care providers as well as for regulation staff.

Thank you very much.

Chairman MILLER. Thank you.

[Prepared statement of Jeannette Watson follows:]

PREPARED STATEMENT OF JEANNETTE WATSON, MEMBER OF THE GOVERNING BOARD OF THE NATIONAL ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN (NAEYC)

My name is *Jeannette Watson* and I am speaking today as a member of the Governing Board of the National Association for the Education of Young Children (NAEYC). In addition to representing the national organization, I speak to day as the former Director of the Texas Office of Early Childhood Development, past-President of Austin Association for the education of Young Children, and Board member of the Texas Association for the Education of Young Children. I also served for 17 years as the director and teacher of the Child Development Center in Austin.

I speak from many years of experience as an advocate for good quality children's programs when I say that the child care initiative of the Select Committee on Children, Youth, and Families is most welcome by the early childhood profession. The Committee's interest and concern for this vitally important aspect of family life in the United States is to be commended.

The Committee's interest in innovative initiatives in the field of child care is both timely and appropriate. I have come today to tell you about a major, national effort that has been initiated by NAEYC to improve the quality of group programs for young children in this country. But before I do, I want to tell you briefly about NAEYC.

The National Association for the Education of Young Children is the largest professional association for early childhood educators in the country with a membership of over 42,000. Its members are professionals who serve children in a variety of capacities—as teachers, child care providers, directors of children's programs, teacher educators, researchers, counselors, and others—an immensely diverse group of individuals who share in common their interest and concern for young children. A particular strength of NAEYC's structure is the individual member's participation in the Association's 280 local and state Affiliate Groups. Since the Association was founded in 1926, NAEYC has built a highly respective reputation for the provision of high quality educational services designed to stimulate improvements in professional practice.

Over two and one-half years ago, NAEYC began developmental work on its most challenging task to date—a long-term, private-sector response to the problem of promoting good quality group programs for young children and offering both parents and caregivers a practical means for identifying good programs. The result of this effort is NAEYC's Center Accreditation Project or CAP as it has come to be called. The Center Accreditation Project will be a national, voluntary accreditation system for early childhood centers and schools serving children from birth through age five and five through eight years old before and after school. The developmental work that has been done so far is currently being field tested in four areas of the country. It is particularly approporiate that this hearing should be held here in Dallas since Dallas is one of the four field test sites for the Project. I am sharing my time today with a representative from one of the centers participating in the Field Test who can give us a first hand perspective on it. I also want to acknowledge the financial assistance that NAEYC has received from the Meadows Foundation located in Dallas which along with NAEYC's reserve funds have been used in support of the field testing of this project.

Why has NAEYC committed to such an effort at this time? The increased need for child care in this country is a well-known fact. Over 50% of women with children under 6 are now in the work force and the number is expected to increase. Many of these are single parents for whom access to child care is essential. Even in families where one parent devotes full-time to childrearing, there is increased need for some form of supplementary child care at times. Regardless of the reason for using child care, all parents deserve the assurance that their children will receive good care in their absence.

It is apparent that in response to the tremendous need, group care programs for young children, including programs for the very youngest age groups, will increase in quantity. It is essential that a concomitant increase in quality of programs occurs as well. Quality early childhood programs are an investment for future generations, but currently parents have little assurance that the group program they select is safe, healthy, and developmentally appropriate for their children. At a time when the number of programs is increasing rapidly, there is a diminishing public role in the regulation of child care. The Protection given by state licensing codes is limited, and public budgets directed at enforcement of codes have not kept up with the burgeoning numbers of group programs.

In response to these needs, NAEYC initiated developmental work on the Accreditation Project. Most professions assume some responsibility for the quality of services that are offered by members of the profession. The CAP is an attempt by the Early Childhood profession itself to apply its knowledge base to improvement of the professional practices in the field. Participation in the Project by programs will be voluntary. The decision to participate will reflect commitment on the part of individual professionals to self-evaluation and self-improvement.

The purpose of the Center Accreditation Project is to improve the quality of group programs that are available to families who choose to use them. Certainly it would be relatively easy merely to accredit the centers that are already in compliance with criteria of quality. However, this would exclude numerous programs, including many that offer generally sound programs but possess some specific weaknesses. NAEYC's approach to accreditation is to be as inclusive as possible—not by degrading standards but by working with centers to make program improvements. Although more difficult, this approach will ultimately be of greater benefit to children and families.

I would like to take the remainder of my time to briefly describe the work that has been done on the CAP and the plans for the future. The first task was to define what the early childhood profession considers to be a good quality program and to establish the Criteria that would be used to evaluate program quality. Over the last 20 years, there has been a proliferation of research and theory building in the area of Child Development. We now have considerable knowledge regarding the developmental needs of children and ways of implementing good quality programs. The Criteria which NAEYC has developed are founded in that knowledge base. Drafts of Criteria have been reviewed by several hundred Early Childhood professionals and published in NAEYC's journal, Young Children, for review by the entire membership.

NAEYC defines a good quality early childhood program as one which meets the needs of and promotes the physical, social, emotional and cognitive development of the children and adults who are involved. NAEYC's Criteria address all aspects of an early childhood program: the physical environment, health and safety, nutrition and food service, administration, staff qualifications and development, staff-parent interaction, staff-child interaction, child-child interaction, curriculum, and evaluation.

One of the most consistent findings of research over the last several years has been that systematic planning and evaluation of programming is related to improved practice. The CAP is based on the concept that if individuals become actively involved in a process of self-study and evaluation, real and lasting improvement will result. The most important aspect of the CAP is the in-depth, internal program evaluation or self-study which each participating program goes through.

The self-study is designed to involve all the participants in an early childhood program. The parents have an opportunity to respond to questionnaires evaluating the aspects of the program which they are most familiar with, such as the effectiveness of the communication between caregivers and families. The classroom teachers and directors must actually observe and rate the quality of the interactions between staff and children.

The results of the self-study are verified by on-site visitors who are called validators. The role of the validator is not identical to that of an evaluator. The validator is there to ensure that the written description of the program is a true and accurate reflection of the day-to-day operations. The validator works with the director to make sure that nothing has been omitted from the report.

Finally, the accreditation decision is made by a three-person team of early childhood professionals who apply their professional judgment in making decisions within the limits of NAEYC's Criteria for High Quality Early Childhood Programs. This decision-making process considers the total context in which the program is operating. Such a system is objective and yet considers the diversity that exists in the field of early childhood education.

Early childhood centers and schools will have positive incentives for choosing to participate in CAP: access to information and resources, materials for staff training, professional recognition by colleagues, and the community recognition that comes from achieving and maintaining accreditation. Parents and employers who participate in the financial support of child care will be able to identify accredited centers and to obtain information about the criteria used to establish accreditation.

NAEYC's Center Accreditation Project respresents a commitment on the part of early childhood professionals to ensuring that good quality early childhood programs are provided for all families in this country. Program personnel who voluntarily choose to participate will demonstrate a commitment to their own professional development. Parents will benefit not only by being able to identify good programs for their children, but also by working with the professionals to improve the quality of the programs in which their children are enrolled. No nationwide system currently exists to assist parents as consumers in identifying good quality programs. The goal of the Center Accreditation Project is not only to fill that void but provide a system for parents and professionals to work together to enhance the quality of life for all our children.

Chairman **MILLER**. Mr. Meyer?

STATEMENT OF DOUG MEYER AND DAVID CONNELL

Mr. **MEYER**. My name is Doug Meyer. I am the director of Children's Ministries at First United Methodist Church in Dallas. Joining me is Dave Connell, the Director of our Developmental Learning Center.

I am appreciative of your sensitivity to include input from the religious community as you explore approaches to child care.

The First United Methodist Developmental Learning Center is an outreach ministry of the First United Methodist Church of Dallas to the downtown community. It provides a warm and loving environment based on individualized and developmental needs for children from infancy to age seven. The Developmental Learning Center accepts children regardless of religious affiliation, race, or socioeconomic group.

The Center was conceptualized by a committee made up of church members and professional staff in the fall of 1979. The group studied the need for a downtown day care program as well as the ability of First United Methodist Church to meet that need with limited finances and space.

In June 1980, the committee determined that there was a need and that First United Methodist could provide space for a program which could support itself with only minimal dependence upon the church. Mr. Dave Connell, the present director, was hired and in the fall of 1980, the center was opened. It received startup funds from local businessmen as well as excellent media and public relations coverage.

The Developmental Learning Center provides daily care for children 3 months to 7 years of age. The center is open from 7:30 a.m. to 5:45 p.m. Monday through Friday. The teacher-to-child ratio is much better than those required by Texas Minimum Standards. Staff members are degreed and/or well trained. They provide an enriched learning environment which is enhanced by a caring attitude toward children.

The program is designed to enhance each child's understanding of self-worth through providing many opportunities for personal, social, and cognitive development.

Parents are encouraged to visit and participate in many facets of the program including parent/life education, field trips, parent committees, parent-teacher meetings, and other opportunities for involvement.

One indicator of the need for child care in Dallas is the fact that our waiting list contains well over 300 children, two-thirds of whom are under 3 years of age. Furthermore, only 1 person in 10 who contacts us actually goes to the trouble to get on our waiting list. We require that a parent come in, look over the center assessment forms, visit with supervisory personnel, observe in the classrooms, and fill out an information sheet to get on a waiting list that may take 6 months to 3 years before an opening is available.

The need for quality child care seems to be apparent in the light of the often spoken cliche that children are our Nation's greatest natural resource. The increase of single parents and dual-working parents means, as this committee will hear over and over again, that more and more of our natural resources will be cared for in a less than quality child-care setting.

Ensuring that children will not be harmed psychologically, emotionally, or intellectually means that the environment in which they are kept needs to be responsive to their developmental needs.

Quality day care means:

First, that the physical environment is competently regulated, safe, stimulating, appropriately spacious, appropriately equipped, and designed for use by children.

Second, that the numbers of children in the classrooms or setting are low enough that children can have a relationship with an adult without excessive competition or agressiveness.

Third, that the staff persons are stable, well paid, well trained, caring professionals, as well as physicially and psychologically healthy individuals.

Fourth, that the parents are involved and have access to their children.

Fifth, that parents are incorporated in the educational process.

Sixth, that the children's day is paced, organized appropriately, and rich with many positive learning experiences.

Quality child care is costly. It is economically impossible to have this kind of quality without either charging parents high fees, or receiving some kind of subsidy from an outside source—fund raising, United Way, Federal and/or State funding, business, or religious organizations.

Unfortunately, for a quality center to be profitable, the cost for care increases dramatically. This is a major handicap for the child care industry. Something must be done to ensure that all of our children have access to this kind of quality care setting.

Our waiting list and the similar waiting lists of other centers in the downtown area indicate a strong need for quality care. However, the cost and the lack of quality care facilities leave the majority of families no choice but to select a lesser quality setting.

Possible solutions to this problem include the involvement of religious organizations, churches, nonprofit charity organizations, and the business sector in starting and subsidizing quality child-care programs. This is what is happening now and to date it has not been effective in meeting the need.

Another alternative we would like the select committee to consider would be to give businesses and commercial, day-care industry tax relief for setting up programs which meet national accreditation and standards similar to those found in the National Association for the Education of Young Children's Center Accreditation Program.

Variations of this alternative would be, one, tax relief for businesses which subsidize employees' day-care costs when employees have their children in programs which meet national accreditation, or, two, tax credits directly to the consumer who uses quality child care.

Such programs would have at least three benefits. (1) They would help to defray the high cost to the consumer of quality child care, (2) they would encourage—by making cost effective—the growth of a quality child-care industry, and (3) they would educate business, communities, and parents as to what quality care for children is and its value to the long-term health of our Nation.

This is certainly not going to solve all the problems facing parents and children today but something must be done to define and encourage the growth of quality child-care facilities. The cost to give children a good emotional, psychological, and physical start on life is and will be much less than the cost of institutionalized, criminal, sociopathic, and alienated individuals that our present system is producing.

It is absolutely imperative that all responsible adults work to find ways to ensure that our future resources are nurtured and protected.

Thank you.

Chairman MILLER. Thank you.

[Prepared statement of Doug Meyer follows:]

PREPARED STATEMENT OF DOUG MEYER, DIRECTOR OF CHILDREN'S MINISTRIES, FIRST UNITED METHODIST CHURCH, DALLAS, TEX., AND DAVE CONNELL, DIRECTOR, FIRST UNITED METHODIST DEVELOPMENTAL LEARNING CENTER, DALLAS, TEX.

The First United Methodist Developmental Learning Center is an Outreach Ministry of the First United Methodist Church of Dallas to the downtown community. It provides a warm and loving environment based on individualized and developmental needs for children from infancy to age seven. The Developmental Learning Center accepts children regardless of religious affiliation, race, or socio-economic group.

The Center was conceptualized by a committee made up of church members and Professional staff in the Fall of 1979. The group studied the need for a Downtown day care program as well as the ability of First United Methodist Church to meet that need with limited finances and space. In June 1980 the committee determined that there was a need and that First United Methodist could provide space for a program which could support itself with only minimal dependence upon the church. Mr. Dave Connell, the present Director was hired and in the Fall of 1980 the Center was open. It received "start-up" funds from local businessmen as well as excellent media and Public relations coverage.

The Developmental Learning Center provides daily care for children three months to seven years of age. The Center is open from 7:30 a.m. to 5:45 p.m., Monday through Friday. The teacher to child ratio is much better than those required by Texas Minimum Standards. Staff members are degreed and/or well trained. They provide an enriched learning environment which is enhanced by a caring attitude toward children. The program is designed to enhance each child's understanding of self-worth through providing many opportunities for personal, social, and cognitive development. Parents are encouraged to visit and participate in many facets of the program including parent/life education, field trips, parent committees, parent-teacher meetings, and other opportunities for involvement.

One indicator of the need for child care in Dallas is the fact that our waiting list contains well over 300 children, ⅔ of whom are under three years of age. Furthermore, only 1 person in 10 who contacts us actually goes to the trouble to get on our waiting list. (We require that a parent come in, look over the center assessment forms, visit with supervisory personnel, observe in the classrooms, and fill out an information sheet to get on a waiting list that may take six months to three years before an opening is available.

The need for quality child care seems to be apparent in the light of the often spoken chiche that children are our nation's greatest natural resource. The increase of single parents and dual-working parents means, as this committee will hear over and over again, that more and more of our "natural resources" will be cared for in a less than quality child care setting.

Insuring that children will not be harmed psychologically, emotionally, or intellectually means that the environment in which they are kept needs to be responsive to their developmental needs. Quality day care means:

1. That the physical environment is competently regulated, safe, stimulating, appropriately spacious, appropriately equipped, and designed for use by children.
2. That the numbers of children in the classrooms or setting are low enough that children can have a relationship with an adult without excessive competition or agressiveness.
3. That the staff persons are stable, well paid, well trained, caring, professionals, as well as physically and psychologically healthy undividuals.
4. That parents are involved and have access to their children.
5. That parents are incorporated in the educational process.
6. That the children's day is paced, organized appropriately, and rich with many positive learning experiences.

Quality child care is costly. It is economically impossible to have this kind of quality without either charging parents high fees or receiving some kind of subsidy from an outside source (fund-raising, United Way, Federal and/or State funding, business, or religious organizations.) Unfortunately for a quality center to be profitable the cost for care increases dramatically. This is a major handicap for the child care industry. Something must be done to insure that all of our children have access to this kind of quality care setting. Our waiting list and the similar waiting lists of other centers in the downtown area indicate a strong need for quality care. However, the cost and the lack of quality care facilities leave the majority of families no choice but to select a lesser quality setting. Possible solutions to this problem include the involvement of religous organizations, churches, non-profit charity organizations, and the business sector in starting and subsidizing quality child care programs. This is what is happening now and to date it has not been effective in meeting the need.

Another alternative we would like the Select Committee to consider would be to give business and commercial day care industry tax relief for setting up programs which meet National accreditation and standards similar to those found in the National Association for the Education of Young Children's Center Accreditation Program. Variations of this alternative would be 1) tax relief for businesses which subsidize employees day care costs when employees have their children in programs which meet National accreditation, or 2) tax credits directly to the consumer who uses quality child care.

Such programs would have at least three benefits:

1. They would help to defray the high cost to the consumer of quality child care.
2. They would encourage (by making cost effective) the growth of a quality child care industry.
3. The would educate Business, Communities, and Parents as to what quality care for children is and its value to the long term health of our nation.

This is certainly not going to solve all the problems facing parents and children today but something must be done to define and encourage the growth of quality child care facilities. The cost to give children a good emotional, psychological, and physical start on life is and will be much less than the cost of institutionalized, criminal, socio-pathic, and alienated individuals that our present system is producing. It is absolutely imperative that all responsible adults work to find ways to insure that our future resources are nurtured and protected.

Chairman MILLER. In order to get on your waiting list, persons have to fill out a form. What has that told you about the make-up, the profile of that waiting list? Who are these parents?

Mr. MEYER. Mr. Connell can answer that. He is the Director of the Center.

Mr. CONNELL. By and large, our center being in the downtown community, we meet middle to upper-middle-income families' needs.

Chairman MILLER. These people that come into the downtown area to work?

Mr. CONNELL. Yes. I guess in about 95 percent of the cases, the family has two working parents.

Chairman **Miller**. You have a waiting list of how many?

Mr. **Connell**. I stopped counting at 300.

Chairman **Miller**. So, there are 300 people, but that does not necessarily mean that these 300 people don't have other care arrangements, that they would prefer to be in your program if the slot were available?

Mr. **Connell**. I did contact several of the day care centers in the downtown area, and all of them have similar waiting lists.

Chairman **Miller**. They are not the same 300 people?

Mr. **Connell**. It is possible.

Chairman **Miller**. What do we know about availability?

There is some suggestion that the unlicensed, so-called underground home, if you will, is meeting some of the demand, as is casual child care with a relative one day and somebody else the next day.

These are rather extensive numbers of people that you have licensed and registered. What can you tell us about that?

Ms. **English**. We really know nothing about underground care. We hear often that there is probably a great deal of illegal child care being provided.

Relative care is not illegal in Texas. I am not talking about that kind of care. But it is required that anyone who is caring for even one child who is not related to them on a regular basis, must be regulated.

National estimates are that, I believe, only 20 percent of care is regulated. We believe that probably a higher percentage than that is regulated in Texas, perhaps, because registration is less threatening than licensing.

Prior to the passage of the current Child Care Licensing Act, these facilities were required to be licensed. In 1975, just before the enactment of the law, there were fewer than 2,000 facilities which care for fewer than six children in the provider's home.

Currently, there are 17,851 registered family homes. These are facilities that care for no more than six children on an all-day basis, plus up to a total of 12, including the care giver's own children and siblings of that first six children in care.

Chairman **Miller**. Congress has heard about the growth.

Ms. **English**. There has been a fabulous growth and we believe that much of the reason probably has to do with the fact that it is less threatening to be registered than licensed. However, the tradeoff then is that we do not visit in the registered family home, except in the instance of a complaint.

Chairman **Miller**. So, when you talk about 450,000 licensed capacity, that is excluding whom?

Ms. **English**. That is excluding the registered family home. There are 6,580 licensed facilities, plus another 353 agency family day homes. Those are under a child-placing agency, so that they are inspected not by our Department, but by an agency which we have licensed.

Chairman **Miller**. And you have some 17,000 family day care homes that are registered?

Ms. **English**. That is correct.

Chairman **Miller**. What happens when you register?

Ms. ENGLISH. They fill out an application or a request to register which attests that they will be meeting the standards. We do have a set of minimum standards for registered family homes.

They state that they will be meeting those standards and one of those standards is that they must give parents a copy of the Parents' Guide. Then the parent, hopefully, has the opportunity to make some determination themselves as to whether the facility continues to meet those standards.

Chairman MILLER. Do you run a background check on these people with law enforcement officials?

Ms. ENGLISH. Not with law enforcement at this time. We check to see whether there is a record in our files of abuse or neglect. We will be asking the legislature for authorization to do criminal background checks on those individuals.

Chairman MILLER. So you are taking this pretty much at face value?

Ms. ENGLISH. That is right. There are many recommendations that we certainly should be visiting every facility, including the registered family homes on a regular basis. It costs money.

Chairman MILLER. Sure.

Ms. ENGLISH. We are going to be asking the legislature in its next session to fund us to at least be able to make an initial visit to every family home that we register. We are not even asking at this time to be able to make regular visits.

It just seems that that would not be a possibility. But—our commissioner made the statement to a legislative committee recently, if they expect regulation, if the legislature and the people of Texas want regulation, it must be paid for, so there must be a decision made as to whether these homes should be visited regularly or whether registration with perhaps a single visit, and then visits for investigation of complaints is what is desired.

Chairman MILLER. So, in your opinion, just commenting on Texas, am I correct that you haven't quite reached the point in regulation or registering where you would like to be in terms of assurances about quality of home and provider?

You think you need additional capacity for inspection?

Ms. ENGLISH. We certainly would like to have more ability to do inspection. However, we recognize that licensure or registration is no guarantee, that it is risk reduction.

We believe that by having minimum standards, by informing the public about child care, and about licensure and registration, and by making some regular visits, that this does reduce the risk to children in out-of-home care.

Chairman MILLER. You would use interchangeably minimum standards and adequate standards in this case, and you believe that when devised, they are adequate to meet the concerns the parents would have?

Ms. ENGLISH. I would not say that. We really believe that they are minimum standards, the lowest level of care, the floor that the people of Texas have agreed upon as what they will accept for children in out-of-home care.

Other people, each parent makes their own choice as to what they believe is adequate to meet the needs of their family and the level which they are able to obtain that care.

Chairman MILLER. Mr. Bliley?

Mr. BLILEY. Thank you, Mr. Chairman.

Ms. English, last year, you said 146 licenses and registrations were revoked or denied?

Ms. ENGLISH. Yes.

Mr. BLILEY. And five licenses suspended. Could you tell us what the most important reasons for these denials, revocations and suspensions were?

Ms. ENGLISH. I would say there are several. Either a pattern of noncompliance, that is not necessarily a single situation, but a facility has simply shown that it is not able or willing to meet standards on a regular basis. Licensing staff investigate or inspect a facility and find noncompliances. The facility may correct those noncompliances, but the next time the inspector is out, more noncompliances, different ones or a repetition such that over a period of time, it is determined that the facility is not able or willing to meet standards. In that case, the license would be revoked.

Other times, it is a situation of a single incident. A child is abused, and it is determined that the facility director or staff has abused a child or another situation that might be called an accident, except it is determined to have resulted from neglect in that a child is injured in a facility when facility staff should have been able to prevent the accident.

Sometimes, the statement is made, "Well, a child is injured at home," but there is a higher level of expectation by the public for what should occur in a facility that has put itself out as providing care for children. So, sometimes it is a matter of a single incident of this sort that causes a facility to have its license revoked.

Mr. BLILEY. Thank you.

Are churches required to be licensed?

Ms. ENGLISH. Church child care facilities are licensed, yes.

Mr. BLILEY. I was wondering, would you provide us with a copy of the Guide for Family Care Givers?

Ms. ENGLISH. Yes, I will be happy to.

[The information follows:]

Texas Department
of Human Resources

Form 2916
December 1982

PARENTS' GUIDE TO REGISTERED FAMILY HOMES

TO BE FILLED IN BY LOCAL LICENSING STAFF

Name of Licensing Staff, Office Address, and Telephone Number

PART I: INFORMATION FOR PARENTS

The Human Resources Code, Chapter 42, requires family day care homes to register with the Texas Department of Human Resources.

When a home is registered with the department, the caregiver states in writing that the home meets the minimum standards. **The department does not routinely inspect a home before or after it is registered.**

Complaints about a registered family home are investigated. If you have a complaint or question about a registered family home, please contact the local licensing office of the department. The address and telephone number of the office are listed above.

The registered family home caregiver is required to give parents a copy of this form which includes the **Minimum Standards for Registered Family Homes** so that parents can check to see if the standards are being met. To protect the health, safety, and well-being of their children, **parents should determine that each standard is met.**

Appendix I of the attachment contains fire prevention, sanitation, and safety requirements. The home must meet each of these requirements.

The registered family home must comply with laws, rules, and regulations regarding immunizations. Appendix II of the attachment shows what immunizations are required.

The minimum standards prohibit persons who have been convicted within the past 10 years of certain kinds of offenses from having contact with children in care unless proof of rehabilitation is established. Appendix III of the attachment is a list of these offenses.

The registered family home caregiver is required to have an immunization record for each child, an emergency medical care form, and, if recommended for your area by the Texas Department of Health, a record of tuberculosis examination. In addition, the caregiver must have written permission from parents to give a child medication, to take a child on trips or activities away from the registered family home, and to allow anyone other than a parent to take a child away from the registered family home. Please cooperate with the caregiver and make sure these records are at the registered family home.

The registered family home caregiver is not permitted to spank children under 5 years old. Children 5 years old or older may be spanked only if the caregiver has written permission from parents.

If your child is handicapped in any way, consult your physician before placing the child in a registered family home. The registered family home caregiver must have written approval from a qualified professional before caring for a child with special needs.

These are minimum requirements which all registered family homes must meet. When choosing a registered family home for your child, you will want to look carefully at things that may be particularly important to you, your family, and your child. Part II of this form has some examples of what to look for in a registered family home.

FOR MORE INFORMATION ABOUT CHILD CARE, PLEASE CONTACT THE LOCAL LICENSING OFFICE OF THE DEPARTMENT OF HUMAN RESOURCES.

PART II: EXAMPLES OF WHAT TO LOOK FOR IN A REGISTERED FAMILY HOME

Visit a registered family home at least once before putting your child in care there. Go when children are in care so that you can see how the caregiver treats children, what kinds of activities are available, and how problems are handled. Then try to spend some time alone with the caregiver, after hours or while children are napping, to discuss such things as discipline, toilet training, and your child's individual needs.

Look for a caregiver who:

Is friendly, courteous, and thoughtful; a person who is interested in each child as an individual, and who is willing to discuss with you all aspects of your child's care.

Is willing for you to visit in the home at any time and look at all rooms used for child care.

Listens to your ideas about your child's physical, mental, and emotional health and well-being.

Can guide and control children without physically punishing them or treating them roughly.

Is warm, affectionate, accepting, and supportive of children.

Is aware of what children are doing at all times and who has time for all the children.

Look for a home that:

Has adequate indoor and outdoor play areas for the children.

Is clean, orderly, cheerful, and pleasant. Be careful if the home is too neat; there may be more attention paid to housework and cleanliness than to the children's needs.

Has an adequate number of clean and working toilets and washbasins.

Has attractive and sturdy equipment for different kinds of activities indoors and outdoors. Look for items such as climbing equipment, books, art materials, blocks, play housekeeping equipment, model cars, puzzles, and games. See if equipment and toys are used, not just displayed.

Serves nutritious, appetizing meals and snacks.

Look carefully at homes or apartments that have a pool or are near rivers, lakes, creeks, ponds, or other bodies of water. The safety requirements in Appendix I of the attachment state: "...**children must be protected from unsupervised access to water.**" It is best if there is a fence around the pool or separating outdoor play areas from the pool or other bodies of water. Fences should be at least six feet high and gates should be locked. The pool's machinery room should be locked or the pump made inaccessible to children.

If a pool or other body of water used by the children is two feet deep or deeper, a certified lifeguard, besides the caregiver, should be on duty. If a splashing or wading pool less than two feet deep is used, be sure the caregiver is knowledgeable about water safety.

If you see a situation that you think is dangerous, please report it immediately to licensing staff.

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MINIMUM STANDARDS FOR REGISTERED FAMILY HOMES

1000 THE CHILDREN IN CARE

1100 The Number of Children in Care

The maximum number of children that a caregiver may care for in a registered family home is determined by 1 the legal definition of a registered family home, and 2 the ages of the children in care

1 Legal Basis

To be registered, a caregiver's home must meet the definition of a registered family home in the ***Human Resources Code, Chapter 42, Section 42.002(9):***

"Registered family home means a facility that regularly provides care in the caretaker's own residence for not more than six children under 14 years of age, excluding the caretaker's own children, and that provides care after school hours for not more than six additional elementary school siblings of the other children given care, but the total number of children, including the caretaker's own, does not exceed 12 at any given time"

2 Ages of Children in Care

If there are more than six children in the home, the children in excess of six must be either the caregiver's own, or school age brothers and sisters of other children in care.

In determining how many children, according to age, can be in the home at one time, all children are counted including the caregiver's own The number of children that may be cared for at one time is shown on the chart on the following page The maximum number of children allowed is 12 or fewer, depending on the ages of the children

As shown in the chart, there can be up to four infants in care There must never be more than four infants in care There must not be more than six children between birth and 4 years old in the home The number of children between 18 months and 4 years is reduced by the number of infants in care For example, if there are two infants in care in the home, there can be up to four children from 18 months through 4 years of age in care

For each pair of numbers under "Preschoolers" there is a corresponding number on the same line under "School Age Children." This is the maximum number of children from the age of 5 through 13 who can be in care in the home at the same time as the "Preschoolers"

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Limits on Numbers of Children in Care by Age

All children in the home including the caregiver's own children must be counted.

Preschoolers		School Age Children (See Item 5400)	Maximum Allowed
Always total six or fewer			
Infants 0-17 mos	18 mos - 4 yrs	5-13 yrs	
0	6	6	12
0	5	7	12
0	4	8	12
0	3	9	12
0	2	10	12
0	1	11	12
0	0	12	12
1	5	4	10
1	4	5	10
1	3	6	10
1	2	7	10
1	1	8	10
1	0	9	10
2	4	2	8
2	3	3	8
2	2	4	8
2	1	5	8
2	0	6	8
3	3	1	7
3	2	2	7
3	1	3	7
3	0	4	7
4	2	0	6
4	1	1	6
4	0	2	6

There must not be more children in the home at the same time than is shown in one of the lines across in the chart.

1200 Length of Care

A child must not be in registered family home care for more than 24 consecutive hours.

1300 Taking Children for Care

1. Parents' Guide – When accepting a child for care, the caregiver must give parents a copy of the Texas Department of Human Resources parents' guide to registered family homes.

2. Emergency Medical Care Form – Before accepting a child for care, the caregiver must have parents complete and sign an emergency medical care form for their children. This caregiver must keep the form in the registered family home.

3. Racial Discrimination – The caregiver must not refuse care to a child because of race.

1400 Children's Health Records

1. Immunizations

The caregiver must comply with laws, rules, and regulations regarding immunization of children. The caregiver must keep current immunization records at the registered family home for each child, including the caregiver's own children if they are living in the family home. For each child's record the caregiver must include the child's birthdate, the type of immunization, the number of doses, and the date of each immunization. A machine or handwritten copy of the record is acceptable. When the caregiver copies the record by hand, the caregiver must also sign the record. The record may be any of the following:

a. A dated statement, signed or stamped by a physician or health clinic, that the child has been immunized against diphtheria, tetanus, pertussis, polio, measles, mumps, and rubella, and showing the type of vaccine, the number of doses, and the dates the immunizations were given.

b. A dated statement signed or stamped by a physician or health clinic, stating that immunization against at least one of the diseases mentioned has begun, and that all immunizations will be completed as soon as possible. A current updated immunization record must be in the home.

c. A statement signed by a licensed physician that the immunizations would harm the health and well-being of the child or a member of the child's family or household.

d. An affidavit (a notarized statement) signed by the child's parent that immunization is against the family's religion.

e. A statement signed and dated by the parent is acceptable for children enrolled in school. The statement must say that the child's immunizations are current and that the record is at the school. The name of the school must be included.

2. TB Examination

a. When accepting a child for care, the caregiver must get a record from the parents that the child has had a tuberculosis examination, if this is recommended by the Texas Department of Health for the area in which the registered family home is located.

b. The caregiver must get the records of the examinations if the Texas Department of Health recommends further tuberculosis examinations.

c. The caregiver must keep the records in the registered family home.

d. The caregiver's own children under 14 years of age must meet the same requirements and their records must be on file in the registered family home.

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2000 THE CAREGIVER AND FAMILY

2100 Caregiver Qualifications

1 The caregiver must be at least 18 years old and able to care for children

2 A person 14 through 17 years old may help the caregiver, but must never be left alone with the children

3 A person convicted within the preceding 10 years of any of the following offenses cannot serve as a caregiver or be present in the registered family home when children are in care, unless the Director of Licensing has ruled that the person has established that he is rehabilitated

a A felony or misdemeanor classified as an offense against the person or the family,

b A felony or misdemeanor classified as public indecency,

c A felony violation of any statute intended to control the possession or distribution of any substance included as a controlled substance in the Texas Controlled Substances Act

4 A person present in a registered family home who is indicted or the subject of an official criminal complaint accepted by a county or district attorney alleging commission of any of the offenses listed below must not be allowed to have any contact with children in care until the charges are resolved

a A felony or misdemeanor classified as an offense against the person or the family

b A felony or misdemeanor classified as public indecency

c A felony violation of any statute intended to control the possession or distribution of any substance included as a controlled substance in the Texas Controlled Substances Act

The caregiver must notify the licensing office within 24 hours or on the next working day of the indictments or complaints

2200 Persons in the Home

When children are present, persons whose behavior or health endangers the health, safety, or well being of the children must not be in the registered family home. Family members, visitors, parents, or other persons with symptoms of contagious disease, a physical or mental condition that would be harmful to the children, or who appear to be under the influence of alcohol or other drugs must not be in the registered family home when children are present

2300 TB Examination

Persons over 14 years old who are in the registered family home when children are in care must have a record of a tuberculosis examination

The individuals must have had the examination within 12 months of the date the home was first registered with the department. Further examinations are required if recommended by the Texas Department of Health for the area in which the registered family home is located. For recommendations, call the local health authorities or the regional office of the Texas Department of Health. A copy of the examination records must be kept on file in the registered family home

2400 Accidents

The caregiver must have a copy available of the first aid and emergency care guide provided by the department to use in case of an accident

3000 HEALTH AND SAFETY

3100 Fire, Sanitation, and Safety

The caregiver's home must meet the requirements in Appendix I, Fire Prevention, Sanitation, and Safety.

3200 Nutrition

The caregiver must ensure that children in care have nutritious meals and snacks in amounts adequate to meet the needs of each child as shown in Appendix IV.

3300 General

The caregiver must keep a safe and healthy home. Indoor and outdoor toys, equipment, and supplies must be safe for the children.

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4000 THE CARE GIVEN TO CHILDREN

4100 Supervision and Health

1 Children must be supervised at all times by an adult who is able to take care of them

2 Children must not be out of control

3 If a child gets sick, he must be separated from the other children The sick child's parents must be notified immediately If the illness is serious, the physician listed on the emergency medical care form must be notified or the child must be taken to the hospital or clinic listed on the form

4 The caregiver may give medicine to a child in care only if a physician or the child's parents have given written permission

4200 Abuse or Neglect of Children in Care

1 Children must not be abused or neglected while in care in the registered family home

2 If a child comes to the registered family home looking abused or neglected, the caregiver must call the department or the police immediately This is required by state law

4300 Telephone Numbers

1 The caregiver must have a working telephone Telephone numbers for ambulances, police or sheriff's department, and fire department must be posted near the phone

2 Telephone numbers, where parents can be reached in case of an emergency, must be posted near the phone

4400 Activities and Signed Permission

1 The caregiver must plan activities appropriate to the health, safety and well-being of the children They must include quiet and active play Sufficient toys and equipment must be available

2 If the weather is good, the children must be allowed to play outdoors daily Infants must be allowed outside their cribs for activities

3 The caregiver must get signed permission from the parents before the children can participate in trips or activities away from the registered family home

4 The caregiver must also get signed permission from the parents before anyone other than the parents takes a child away from the registered family home

4500 Discipline

Children in care must not be punished cruelly, harshly, or in an unusual way A child of any age can never be shaken or hit A child under five years old can never be spanked The caregiver can only spank a child five years old or older if the child's parents give the caregiver their written and signed permission The caregiver can only use an open hand to spank, and the spanking can only be done on the child's buttocks

4600 Toys

The caregiver must not allow toys that use anything that explodes (such as caps) or that shoot things (such as darts or BB's) Caregivers must not allow toys that contain poisonous materials (such as lead paints or poisonous gases)

5000 DEFINITIONS

5100 Parent

"Parent," as used in these standards, includes a parent, legal guardian, or a managing conservator.

5200 Regular Care

Regular care is for more than two days a week and for at least five consecutive weeks. (See Item 1100, 1.)

5300 After-school Hours

After school hours include school holidays, summer vacations, and periods during which the school is in operation but students are not expected to attend, such as teacher work days. (See Item 1100, 1.)

5400 School Age Children

School age children are those children 5 through 13 years of age who are regularly enrolled in a school in addition to coming to the registered family home for care.

5500 Own Children

The caregiver's own children include the caregiver's children by birth or adoption, and stepchildren. (See Item 1100, 1 and 2.)

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APPENDIX I

FIRE PREVENTION, SANITATION, AND SAFETY REQUIREMENTS FOR REGISTERED FAMILY HOMES

FIRE PREVENTION, SANITATION, AND SAFETY

Fire Prevention

1. In case of danger from fire, the first responsibility of the caregiver is to get the children to safety.

2. There must be a 2 1/2 pound dry chemical fire extinguisher in good working condition available for use in the kitchen.

3. When children are in care, there must be an adult present who is familiar with the operation of the fire extinguisher.

4. The fire extinguisher must be serviced after each use, checked for proper weight at least once a year, and serviced if needed.

5. There must be at least two unblocked exits to the outside of the home. A window may be counted as an exit if children can get through it to the ground outside of the house quickly and safely.

6. The electrical wiring system must be in good repair.

7. Fuses or circuit breakers in the fuse box must be in good operating condition.

8. Cords for electrical appliances and lighting fixtures must be in good working condition.

9. Extension cords must not be overloaded. They may not be run under rugs or hooked over nails.

10. Central heating units must be inspected by a qualified technician as often as recommended by the manufacturer.

11. Wood-burning or gas-log fireplaces and open flame heaters must be protected with a spark screen or guard.

12. Space heaters designed to be vented must be vented properly to the outside.

13. All gas appliances (heaters, water heaters, stoves) must have metal tubing and pipe connections.

14. If trash is burned, it must be in an area away from the children.

15. Lighters and matches must be kept where children cannot reach them.

16. Flammable liquids must be stored in safety cans and kept where children cannot reach them.

17. The home and yard, particularly attics, basements, garages, and storage sheds, must be kept free of rubbish.

18. Rags, paper, and other flammable materials must be kept away from heat.

Sanitation

1. The home and grounds must be kept clean.

2. The kitchen and all food preparation, storage, and serving areas and utensils must be kept clean.

3. Perishable food must be refrigerated or safely stored in other ways.

4. The home must either use a public water supply or a private well that is approved by local health authorities or the Texas Department of Health.

5. The home must either use a public sewage disposal system or a private system that is approved by local health authorities or the Texas Department of Health.

6. Plumbing must be kept in good working condition.

7. The home must have running water.

8. There must be at least one toilet, lavatory, and bathtub or shower inside the home.

9. Bathrooms must be kept clean.

10. Soap and toilet paper must be available at all times.

11. Each child must have a clean towel available, or paper towels must be available.

12. Garbage must be removed at least once a week.

13. Garbage must be kept in metal or plastic containers with tight fitting lids in an area away from the children.

14. The home must be kept free of insects, mice, and rats.

15. The yard must be well drained, with no standing water. The yard must be kept free of garbage and trash.

16. The house must be adequately ventilated and free from bad odors.

17. Windows and outside doors that are kept open must be screened.

Safety

1. The home and the outdoor play area must be kept free of hazards to children.

2. Cleaning supplies, bug sprays, medicines, and other materials that would harm children must be kept where children cannot reach them.

3. Electric outlets in rooms used by children must be safety outlets or have child-proof covers.

4. Electric fans must be securely mounted where children cannot reach them, or have guards which keep children from touching the fan blades.

5. Outdoor steps must not have a slippery surface. Porches, railings, playhouses, and other wooden structures must not have splinters.

6. Indoor floors and steps must not be slippery, and must be dry when children are using them. Wood surfaces and objects must not have splinters.

7. Glass doors must be marked at a child's eye level to prevent accidents.

8. If there is a swimming pool, wading pool, pond, creek, or other body of water on or near the premises of the home, children must be protected from unsupervised access to the water.

APPENDIX II
CHILD-CARE FACILITY IMMUNIZATION REQUIREMENTS
EFFECTIVE 9/1/79

Age Group	Immunization Required
Under 2 mos	No immunizations required
2 mos. to 4 mos.	1 dose of oral polio vaccine (OPV) 1 dose of diphtheria-tetanus-pertussis (DTP) vaccine
4 mos. to 6 mos.	2 doses of OPV 2 doses of DTP vaccine
6 mos. to 18 mos.	2 doses of OPV 3 doses of DTP vaccine
18 mos. to 5 yrs.	3 doses each of OPV and DTP vaccine 1 dose each of measles(1), rubella(2), and mumps(3) vaccines
5 yrs. and older	3 doses each of OPV(4) and DTP(5) vaccine 1 dose each of measles(1), rubella(2), and mumps(3) vaccines

NOTES

(1) **Measles**: As a part of the child's immunization record, a written physician-verified history of measles illness is accceptable in lieu of vaccine. Effective September 1, 1979, children through age 12 years are required to have received measles vaccine since the first birthday or provide a written physician-verified history of measles illness. On the first of September of each following year, children one year older must also meet these requirements, and by September 1, 1985, all children through 18 years of age will be included. See the table below.

Measles Vaccine Requirements By Effective Dates
For Children in Child Care Facilities*

Effective Dates	Ages in Years*
September 1, 1979	Thru 12
September 1, 1980	Thru 13
September 1, 1981	Thru 14
September 1, 1982	Thru 15
September 1, 1983	Thru 16
September 1, 1984	Thru 17
September 1, 1985	Thru 18

*Ages of children in child care facilities on the effective date.

(2) **Rubella**: Rubella vaccine is not required after the twelfth birthday. A history of rubella illness is not acceptable.

(3) **Mumps**: As a part of the child's immunization record, a written physician-verified history of mumps illness is acceptable in lieu of vaccine. Effective September 1, 1979, children less than eight years of age are required to have received mumps vaccine or provide a written physician-verified history of mumps illness. On the first of September of each following year, children one year older must also meet this requirement. By September 1, 1990, all children through 18 years of age will be included. See the following table.

Mumps Vaccine Requirements by Effective Date for Children 18 Months Through 18 Years of Age in Child Care Facilities

Effective Dates	**Ages in Years***
September 1, 1979	Thru 7
September 1, 1980	Thru 8
September 1, 1981	Thru 9
September 1, 1982	Thru 10
September 1, 1983	Thru 11
September 1, 1984	Thru 12
September 1, 1985	Thru 13
September 1, 1986	Thru 14
September 1, 1987	Thru 15
September 1, 1988	Thru 16
September 1, 1989	Thru 17
September 1, 1990	Thru 18

*Ages of children in child-care facilities on the effective date.

(4) **Polio**: At least three doses of oral polio vaccine (OPV) are required, provided at least one dose has been received on or after the fourth birthday. A dose of OPV given during the calendar month prior to the fourth birthday will substitute for the dose on or after the fourth birthday. No further doses of OPV are required.

Some children or students may be enrolled who have received inactivated polio vaccine (IPV). These students are in full compliance when an initial series of four doses are completed and a booster dose within five years of the fourth dose has been received. A booster dose is required every five years thereafter. If the child, upon medical advice, starts receiving OPV, then the total requirement for OPV must be met.

(5) **Diphtheria-Tetanus-Pertussis/Tetanus-Diphtheria**: At least three doses of DTP and/or Td vaccine are required, provided at least one dose has been received on or after the fourth birthday. A dose of DTP or Td given during the calendar month prior to the fourth birthday will substitute for the dose on or after the fourth birthday.

In addition to the minimum of three DTP or Td doses with one dose since the fourth birthday, children 12 years of age and older must have a last dose within the past ten years. (A Td booster is required ten years after the administration of the immunization that meets the requirement for the "dose since the fourth birthday." Example: If the last dose of DTP was received at age five, the ten year Td booster is due at age 15.)

(6) An Annual Report of the Immunization Status by age group of all children must be submitted on the request of the Texas Department of Health.

APPENDIX III
CRIMINAL OFFENSES FROM THE TEXAS PENAL CODE

The following constitute criminal offenses included in the *Texas Penal Code*:

Title 5. Offenses Against the Person

Murder
Capital murder
Voluntary manslaughter
Involuntary manslaughter
Criminally negligent homicide
False imprisonment
Kidnapping
Aggravated kidnapping
Rape
Aggravated rape
Sexual abuse
Aggravated sexual abuse
Homosexual conduct
Public lewdness
Indecent exposure
Rape of a child
Sexual abuse of a child
Indecency with a child
Assault
Aggravated assault
Deadly assault on a peace officer
Injury to a child
Reckless conduct
Terroristic threat
Aiding suicide

Title 6. Offenses Against the Family

Bigamy
Incest
Interference with child custody
Enticing a child
Criminal non-support
Sale or purchase of a child
Solicitation of a child
Harboring a runaway child

Title 43. Public Indecency

Prostitution
Promotion of prostitution
Aggravated promotion of prostitution
Compelling prostitution
Obscene display or distribution
Obscenity
Sale, distribution or display of harmful
material to a minor
Sexual performance by a child

APPENDIX IV EXAMPLES OF KINDS OF FOODS TO BE SERVED TO MEET NUTRITIONAL NEEDS

1) Milk or Milk Products

Milk and foods made from milk
such as cream and puddings

Cheese*
- Cheddar
- Cottage
- Swiss

2) Vegetables and Fruits

a) Vitamin A Foods

VEGETABLES

- Broccoli
- Carrots
- Greens
  - Dandelion
  - Mustard
  - Turnip
- Spinach
- Squash-winter
- Sweet potatoes

FRUITS

- Apricots
- Cantaloupe

b) Other Vegetables

VEGS

- Beans
  - Lima
  - Green
  - Wax
- Beets
- Celery
- Cabbage
- Corn
- Cucumbers
- Eggplant
- Lettuce
- Mushrooms
- Onions
- Peas
- Potatoes
- Radishes

FRUITS

- Apples
- Avocados
- Bananas
- Dates
- Figs
- Fruit cocktail
- Grapes
- Olives
- Peaches
- Pineapple
- Plums
- Raisins
- Watermelon
- Juice
  - Apple
  - Grape
  - Pineapple

c) Vitamin C Foods

FRUITS

- Orange juice
- Oranges
- Grapefruit
- Grapefruit juice
- Mangos
- Strawberries
- Tangerines
- Cantaloupe
- Watermelon

VEGETABLES

- Broccoli
- Green peppers
- Brussel sprouts
- Cauliflower
- Mustard greens
- Tomatoes
- Raw cabbage
- Baked potatoes

3) Meats, Fish, Poultry or Meat Substitutes

Meat-canned, dried, fresh and frozen

- Beef
- Lamb
- Pork
- Veal
- Luncheon meats
- Liver
- Chicken
- Turkey
- Fish
- Cheese*

- Peanut butter
- Eggs
- Dry beans
- Dry peas
- Lentils
- Vegetable protein

4) Breads and Cereals

ENRICHED BREADS

1) French
2) Raisin
3) Rye
4) Soy
5) White
6) Whole wheat

All of the following must be enriched:

- Boston brown bread
- Fruit breads
- Prepared cereals
- Rolled wheat or oats
- Biscuits
- Cornbread
- Macaroni
- Noodles
- Muffins
- Grits
- Bulgur
- Rolls
- Rice

*Do not count the same slice of cheese as both milk and meat.

These are examples of food which meet the requirements. Other foods may be substituted in amounts which ensure that the minimum requirements are met.

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KINDS AND AMOUNTS OF FOODS TO BE SERVED TO MEET NUTRITIONAL NEEDS

Kinds of Food		Total Amount to Meet 1/3 of Daily Need	Total Amount to Meet 1/2 of Daily Need
1. Milk or Milk Products			
Milk	Children 1-3	3/4 cup	1 1/8 cups
or	Children 4-6	1 cup	1 1/2 cups
Cheese	Children 1-3	1 inch cube	1 1/2 inch cubes
	Children 4-6	1 1/2 inch cubes	2 inch cubes
2. Bread and Cereal Products			
Bread	Children 1-3	1 slice	1 1/2 slices
or	Children 4-6	1 1/2 slices	2 1/4 slices
Cereal	Children 1-3	1/2 cup	3/4 cup
	Children 4-6	3/4 cup	1 1/8 cups
3. Vegetables and Fruits			
One serving Vitamin C rich per day (1/4 cup) One serving Vitamin A rich every other day (1/4 cup)		1/2 cup	3/4 cup
4. Protein			
Meat, fish, poultry (cooked)		2 Tablespoons	3 Tablespoons
or			
Eggs		1 Egg	1 1/2 Eggs
or			
Peanut butter		2 Tablespoons	3 Tablespoons
or			
Cooked dried beans or peas		1/2 Cup	3/4 Cup

Mr. **Bliley**. Thank you.

Mr. Meyer, how many children are in your facility?

Mr. **Connell**. Eighty-two.

Mr. **Bliley**. And what is the staff ratio?

Mr. **Connell**. It is dependent upon the age group. For instance, infants, a one-third ratio, and it is better than that at times, but that is the working ratio.

For children considered toddlers from 13 months to 2 years, it is a 1 to 4 ratio. For 2 year olds to 3, it is 1 to 6 ratio and for the older children, it is a 1 to 10.

Mr. **Bliley**. I see. And what percentage of your budget is recovered from the parents of the children and what percentage is covered by—is contributed by the church?

Mr. **Connell**. Approximately 99 percent is recovered from the parents, so there is about 1 percent from the church itself.

Mr. **Bliley**. And there is no break or no concession for children of parents with greater need?

Mr. **Connell**. There is a scholarship fund, and that is a separate endowment fund that we have managed to set up through the years, but initially, when we started the program, there was not.

But, at this time, we do have the scholarship fund.

Mr. **Bliley**. Of the 82 children, how many are on scholarship?

Mr. **Connell**. We have three at this time.

Mr. **Bliley**. Thank you.

Ms. Schmitt, in your testimony, you stated that businesses must offer a variety of competitive benefits to attract or obtain qualified personnel.

However, in earlier testimony today, a witness testified that apparently child care benefits are usually thought of as a way to entice potential employees, but that in Houston, they have been laying off employees for the last 2 years, rather than trying to figure ways to attract them.

Is Houston a particular trend nationally, or is this unique or more unique to Houston than it would be to other communities?

Ms. **Schmitt**. I think it is more unique to Houston at the present time. When we speak to employers concerning the benefit package that we have available from Kinder-Care, they don't feel the need to even survey their employees on child care needs, because they don't have to.

It is an employer's market. They can—if the employee has a problem with child care and can't be at work on time, or misses a lot of work due to a sick child or something like that, they don't have to address that need.

The employer does not. The employee needs to take care of it. So, I think in Houston it is a different situation than in other parts of the country, where economic recovery is being felt quicker than it is in Houston.

Mr. **Bliley**. I yield back, Mr. Chairman.

Chairman **Miller**. What can you tell us about the children in Kinder-Care? What is roughly the cost per week in this area, in the Dallas area?

Ms. **Schmitt**. We do have different fees in different areas, but I would say, if you wanted a good average, it is $45 a week for the 3- to 5-year-old child.

Chairman **Miller**. How are parents securing that $45—part from employer, part from public sources?

Ms. **Schmitt**. If they are just an average parent and not receiving any employee benefit package through Kindustry they are paying the whole amount of $45.

Chairman **Miller**. Do you have a breakdown of how many people currently are receiving some help from public or private sources?

Ms. **Schmitt**. I think it would have to be between 2 to 5 percent that we are getting any help with, such as neighborhood centers.

We do have some children that we provide child care services through neighborhood centers. They send us the children via contract for vending the services.

Chairman **Miller**. That would be a public agency that is sending in the children?

Ms. **Schmitt**. Right.

Chairman **Miller**. But the 2 to 5 percent would be private and public services that are contributed to that fee?

Ms. **Schmitt**. Right. It is very small.

Chairman **Miller**. Yes. There is not much left on the other side of 2 percent to go to. Is that changing? I mean, is that up or is that about what it has been in your experience?

Ms. **Schmitt**. In Houston right now, it is down a little. Neighborhood centers has come to us in several instances, the centers that are in my district, and even said all the tuition we can pay is so much a week, and we have just either had the option to come down on our tuition level and meet it in order to meet the needs of those parents, or we would have to go back to Neighborhood Centers and say, "No, we can't accept that, you will have to seek other arrangements."

We have done that in the last 2 months, met their needs, trying to meet the family and the child's needs.

Chairman **Miller**. Ms. Schneider and Ms. English again, there is something that is going on here that I am not quite sure we can quantify, but given the ceiling on cost—very quickly, when you get much above the figures that have been handed out here today, you simply lose the ability of the parent to pay, whether they have help or not, and it seems that in testimony received today and in testimony we have had elsewhere, that there is another subsidy that is going on here with respect to the wages of people who are working in this industry and people who may very well be cutting corners, whether they are corners that are in violation of licensing or simply little corners that they are cutting to try to stay in business, if you will, whether they are public or private or what have you.

Because of a $5 change per month, their clients may disappear to some extent. Yet, both of you had touched on the issue of training. I wonder how do we compensate or how do we keep that in balance, because as we require more and more training, we obviously want the best trained people to care for these children.

At the same time, by doing that, you are taking a better trained person who believes that they are worth more money and the economics all of a sudden start to fall apart.

This is about as marginal an industry as we have in America, and I just wonder—you have been struggling with this for years. How do you get out of this bind?

Ms. **English**. We certainly recognize the balancing act, if you will.

We also are finding ourselves, the regulatory agencies, attacked for low standards. The fact that we are not requiring adequate child care facility staff, in order to be providing even minimal care.

The minimum standards in Texas for staff are that they be 18 years of age and able to read and write. The staff in-service training is that they have 12 clock-hours per year. So, when I talk about a possible increase, what we are talking about is requiring a high school diploma. That has been a recommendation. That one should have finished high school to be working as a child care staff person in a child care facility.

Chairman **Miller**. I understand, but if you did what you and I would like to see done in terms of having the best qualified person to take care of children, at that point, the system can't stand it.

If you wanted a Master's degree or Doctor's degree or 5 years of nursing or a nutritionist, the system doesn't support that under current methods of payment.

In terms of public policy, it sounds like a high school degree would be fine. That makes sense. Everybody wants some sense of proficiency, but how far can you go? I am not indicting you, I am raising the point.

Ms. **English**. And we will be proposing these standards and waiting for public comment to tell us that. I do not know a solution to that. I will not claim that I do know how that is going to work out.

We are aware that there are many sources of—when you talk about training, there are a number of sources of very inexpensive inservice training.

Yes, people who obtain that may ask for more salary. That is one of the points that you are making, but as far as obtaining the inservice training, there are many sources available, and one of the things that we are hoping to do even with a small amount of funding is to find ways of making people more aware, just connecting people with those sources of inservice training, so that we are not asking for people to go to college in order to be able to obtain jobs.

But rather, obtain some inservice training opportunities and be aware of those that are available at no cost or low cost.

Chairman **Miller**. I am concerned, because we have obviously built a substantial part of our economic system around participation by two wage-earners in the family or a single parent head of household and I am not sure the real cost of that is being reflected in terms of what is happening or not happening with our children.

I am concerned how we move this system, because in California, we have had a couple of bad instances in child care centers, so the rush is to suggest that additional regulation will change that, yet when you look at the system, this system has a great number of parents walking through who said this is almost a model system in many ways.

You start to ask what else can you do at this point? There is an awful lot in the system that is based upon faith and trust and I don't know how you license that operation, but it is one that we struggle with.

I assume you would like the licensing to stay at the State level?

Ms. ENGLISH. We feel that that is the best hope, if there can be increased funding for the regulation of child care facilities, that we will be able to do a better job of that regulation.

There are some cities that are adding their regulations to State and that may be beneficial to the facilities in that area. Particularly in the area of fire and sanitation, there are increased inspections.

Then, of course, an ideal may be center accreditation by some of the professional organizations such as the National Association of Young Children, who will be giving incentive to facilities to achieve a level above minimum.

Chairman MILLER. The theory on that would be that accreditation would be another touchstone for parents, that somebody has looked at this system, that a process was gone through, and this system has—not the Good Housekeeping Seal of Approval, but——

Ms. ENGLISH. Exactly.

Ms. WATSON. I did not mention, but Doug and Dave are both from one of the sites of our CAP field test that is going on right now. We are really proud of them.

Back to the training. May I speak to that for a moment? Are you familiar with the Child Development Associate, the training and credentialing of competent individuals? I spoke in my testimony about the accreditation of centers, but this is about the CDA, a credential for an individual.

The CDA Program has been funded—with phasing-out funding—by the Administration for Children, Youth, and Families in the Department of Health and Human Services for some 10 years and was designed to improve the quality of child care by credentialing care givers or teachers of children, ages 3-5, who were assessed to be competent.

Chairman MILLER. Thank you.

Thank you very much to all of you.

Mr. BLILEY. Mr. Chairman, I have a couple of questions. Miss English, what percentage of the child care facilities are in private homes, as opposed to centers?

Ms. ENGLISH. That is not a statistic that I have, because some of the day care centers are in private homes. I can tell you the number of day care centers and the number of registered family homes, but some of the licensed care—for instance, there are licensed group day care homes, there are licensed day care centers that are in homes, and we just do not have the statistical breakdown as to how many of them are in individual homes.

Mr. BLILEY. What is the percentage then of registered homes to licensed homes or licensed facilities?

Ms. ENGLISH. There are approximately three times as many registered family homes as there are licensed facilities, but that does not represent the number of children in care. That is, there are probably about 80,000 children in registered family home care, and the licensed capacity is more than 450,000.

Mr. BLILEY. I see.

Ms. Watson, does your group, NAEYC, work only with day care centers or do you work with family care homes as well?

Ms. Watson. What we are proposing, the Center Accreditation Project will be working with centers or group programs from ages birth to age 5, and before and after school age 5 through 8.

Mr. Bliley. Whether it is in a home or——

Ms. Watson. Initially, we will be working only with centers, but plans for the future include family day homes.

Mr. Bliley. Thank you, Mr. Chairman.

Chairman Miller. Thank you very much.

Again, let me thank everyone who participated today for the help that you have given the select committee, and again, to our host, the Zale Corp. for helping us put this hearing together.

The record will remain open on this hearing for people who do want to submit written comments, either to fill in the testimony that we have received or to criticize it or to compliment it in any fashion, and that written material can be sent directly to the select committee in Washington.

The committee stands adjourned.

[Whereupon, at 2:30 p.m., the select committee was adjourned.]

[The following was submitted for inclusion in the record:]

CHILD CARE TOTAL INVOLVEMENT TEAM

REPORT AND RECOMMENDATION
April 1984

I. INTRODUCTION

The mission statement of the Child Care Total Involvement Team has been to determine whether Lincoln National Corporation should consider involvement with the child care needs of its employees and, if so, in what form. The following is a report of the findings and conclusions reached by the Team.

II. EXECUTIVE SUMMARY

Lincoln National has a currently manageable, but growing, child care problem. Employee child care problems are company problems because employee productivity is adversely impacted. Employees are struggling with a community child care environment in which the incentives for low cost care far outweigh the incentives for quality care. Individuals, unlike companies, have little influence over such environments and no help is available to meet the growing child care needs of the middle class, Lincoln National employees. Existing community child care programs are targeted only for the economically disadvantaged. While there is a high level of desire for 'Lincoln' child care centers, all the pertinent facts related to a decision of this nature have not been developed. Immediate assistance in identifying and selecting appropriate care would provide the greatest need for the largest number of employees. To address the broader issue, the company's leadership position in the community could be used as a catalyst to stimulate others to join Lincoln National in improving community-wide child care arrangements. Children are everyone's investment in the future.

The Child Care Total Involvement Team recommends that Lincoln National:

1. Establish an in-house resource and referral service.
2. Designate a key officer to improve corporate understanding.
3. Initiate a community child care registry.
4. Develop a salary reduction program.
5. Establish an on-going program to assess employee child care.

This form of involvement was developed to:

* meet employee needs expressed in the survey
* meet the corporate objectives of cost-containment
* reflect the availability, diversity and cost of local care
* benefit as many employees as possible, as quickly as possible
* deal with the corporate issue of non-prime hours
* address the quality and organization of family day-care
* encourage an awareness of working parents.

This recommendation is made following considerable effort in hopes that it meets employee needs and corporate objectives. With the support of a sensitive senior manager, the direction of a full-time professional, and the on-going assessment of changing needs in the child care environment, this Team believes that the recommended program will benefit the employee and the Corporation.

III. METHODOLOGY

In August 1983, a small group of employees met with Ian Rolland to request that the child care issue at Lincoln National be re-examined by a Total Involvement (TI) Team that would report directly to him. When confronted by three pregnant women in this type of situation, a wise man would say yes. Ian Rolland is a very wise man and so the effort commenced.

Approximately 20 employees dedicated hundreds of company and personal hours and extensive study to the development of this report. Two employee surveys were conducted. The Chamber of Commerce and local employers were contacted. Local child care facilities and regulations were reviewed. Child care experts and consultants were interviewed and Lutheran Hospital's Child Care Center was visited. Countless articles and reports on child care were read. The study included group discussions and information-sharing with pertinent parties such as Dr. Charles Bolyard, members of Lincoln National management, Steelcase, Proctor & Gamble and other corporations involved in the child care needs of their employees. (See Appendix I — Existing Employer-Supported Child Care Programs.)

Another resource was Dr. Dana Friedman. Dr. Friedman is one of the nation's leading authorities on employer-sponsored child care. She has dedicated 11 years to the child care issue, initially as a Washington lobbyist and more recently as a child care consultant. To measure the group's progress, Dr. Friedman reviewed survey results, a summary of the TI Team's efforts, and information on LNC's child care environment. She indicated that it is one of the most complete and impressive efforts that she has seen conducted without the assistance of a professional consultant.

IV. BACKGROUND

Quality Child Care: A Social Need

Today's parents are in the work place. The demands of today's economy have permanently altered parental roles within society from the traditional breadwinner/homemaker couple to the dual-income couple. Also, the high American divorce rate creates many single-parent families. The number of workers who are single parents (fathers and mothers) or fathers or mothers from a dual career couple is increasing. (See Appendix II — The Changing Work Force.)

While the roles of parents have changed, the needs of children have not. Consistent, quality care remains critical to healthy development. If parents are to be reliable members of communities and productive employees, they need to know their children are content and well-cared for. It is estimated that there are approximately 13 million children, 13 years old and under, in households where the parents work full time. For these 13 million children, there are less than 1 million slots in child care centers. Family day-care (or FDC, where children are cared for in a private home) and care by a care giver in the child's own home serves another 6.8 million children. (U.S. Department of Labor)

Dependable, quality care is a scarce resource for which there is a critical need.

Social Need for Corporate Involvement

The workplace benefits from assisting in child care. The most tangible and immediate advantage generated by child care benefits in the workplace — the one with the greatest "bottom line" effect — is improved productivity. (See Appendix III — excerpt from American Banker.) Studies overwhelmingly underscore the resulting productivity gains in companies where child care assistance is offered. Other ways corporations benefit include improved employee morale, an enhanced ability to attract and maintain employees, and reduced lengths of maternity leave.

The need for corporate involvement also stems from the movement to shift social responsibility from the public sector to the private sector. One of the many ways this movement is being effected is through a White House organized, private-sector initiative program called "Employer Options to Support Working Families." Luncheon seminars created for chief executives provide information to change corporate attitudes towards child care by explaining the many options available and the benefits derived from child care assistance programs.

Ensuring the child care need is met should be dealt with by the corporation. Efforts to assist in the availability, maintenance and rigorous enforcement of consistent, quality child care are most effectively accomplished in the workplace where the parents are located and the benefits are felt.

Children: An Investment in the Future

Perhaps the most important reason for corporate involvement in child care is the opportunity to positively influence today's children, tomorrow's adults. Addressing an employer group, Dana Friedman, a child care expert, said this best:

> As you figure out the justification for your company's involvement (in child care), whether it be corporate social responsibility or some form of enlightened self-interest, I urge you to remember that, in the long run, right now we are making decisions about the quality of care for children, who will soon be making decisions about the quality of our care. And I think that's real enlightened self-interest.

Children are our investment in the future.

The Child Care Issue at Lincoln National

Many of the national trends identified in Appendix II (The Changing Workforce) apply equally well to Lincoln National. It is the evolutionary nature of these trends which makes child care an increasingly sensitive issue for the corporation.

Other companies involved with child care indicated that the following factors are important to consider before involvement:

- Corporate objectives
- Employee child care needs
- Local providers of child care
- Cost
- Range of quality of child care options

The Team evaluated these factors before compiling this recommendation.

Corporate Objectives

A company-wide survey (see Appendixes IV and V) completed by 869 employees (30 percent of all employees and 30 percent of all 20 to 39 year olds) indicated that improved productivity, a major corporate objective, is hampered by child care related problems.

When asked,"Do you think that child care problems affect work productivity for you and/or other members of your work unit or not?", 575 answered yes. Seven-hundred and thirty-five (735) responses were given to "explain how you think productivity is affected."
Four-hundred and thirty (430) reasons were given explaining why productivity is affected:

- Worry about how the children are was the most commonly cited reason.
- Care giver unavailable — sick, on vacation or otherwise -- was the second most common reason.
- Sick children was the third.

The remaining responses indicated how productivity is affected:

- Absenteeism created extra work for co-workers or a work backlog
- Personal calls home or to care givers
- Employee arrived late or left early because of child care problems
- Company time used to make alternative or new arrangements

Employee Child Care Needs

Three hundred and forty nine (349) employees responding to the survey use child care and 61 anticipate needing child care within the next 12 months.

An age profile of the children in child care arrangements at the time of the survey were:

- 170 aged 0-2
- 167 aged 2-5
- 127 school aged children requiring part-time care during the workday or during school breaks.

Local Providers of Child Care

The most frequently used child care arrangement at Lincoln National is FDC, 68 percent, where the children are cared for in another person's home. Nine percent are cared for in the employee's home. Eleven percent are in child care centers.

Employees' child care patterns favor FDC because of the total lack of infant care services in Fort Wayne. None of the 29 child care centers in the greater Fort Wayne community offer infant care and only two accept 1-2 year olds. As indicated above, half of the pre-school children of surveyed employees are 0-2 years old. For this group, the only alternative is FDC. Further, movement of a child over the age of two, from FDC to a day-care center most probably would not occur unless there is a problem with the family day-care provider. This is because consistency of care — care provided by the same care giver over a long period of time — is recognized as one of the most important elements of a child's development. Also, parents are reluctant to separate young siblings in cases where children less than two are still in the day care home.

Cost

The average weekly child care cost is $34 per child. Fifty percent of responding employees with child care needs indicated they would be willing to pay more for an improved child care situation, but not much more. Because of the current level of average cost, it becomes a very important factor to consider. A high cost child care involvement option would have to be heavily subsidized to be attractive to employees. However, a subsidy option would be inconsistent with corporate objectives for cost containment.

Range of Quality of Child Care Options

There are many options to support child care needs. They range from on-site child care facilities, to sensitive management policies, to educational programs for working parents (See Appendix VI — Options to Support Child Care Needs).

Analysis of Community Child Care and its Impact on Lincoln National

The research of the Total Involvement Team produced a confusing dichotomy: data indicates there is an overwhelming need for child care, but some child care centers in Fort Wayne -- with high standards and developmental guidance — are not at full enrollment. The following analysis uncovers the reasons for this unfortunate situation.

Lax Licensing + Poor Economic Times = Substandard Child Care

Family day-care (FDC) has suffered due to Indiana's lax licensing and Fort Wayne's difficult economic environment. Any one of the several environmental factors detailed below can detract from FDC quality; in combination, they are "lethal".

Child care quality has suffered because:

1. Reduced social service programs have caused relaxed FDC licensing requirements. There are many negative effects.

First, lax licensing allows a higher child/care giver ratio, decreasing cost and quality. For example, current licensing allows 6 non-related children per care giver. At $35 per child, care giver weekly income is $210. If regulation were more stringent, and the ratio were improved to 4:1, the care giver would most likely increase her cost per child to about $50 per child to maintain the same income. This improved child/care giver ratio increases cost and increases quality of care. Likewise, lax licensing lowers cost, but also lowers child care quality.

Second, lax licensing leads to invisibility of FDC. No licensing or regulation exist for family day care homes beneath the 6:1 ratio. This creates a severe lack of accessibility of care givers and lack of care giver accountability. The care giver is inaccessible because lax licensing decreases or depletes the list of child care providers maintained by the child welfare agency. In the past, this list has been an important link between parents and care givers. The unlicensed care giver is not accountable for quality standards because there is no monitoring, guidance or regulation to ensure quality standards.

Third, lax licensing, and the resultant 'ease of entry' into FDC, increases the transient nature of FDC. This ease of entry lowers the cost of child care, but also lowers its quality.

2. The impact of the depressed local economy further aggravates the situation by lowering quality, cost and consistency of care.

The number of laid-off workers in Fort Wayne has created more FDC providers. This supply further decreases cost and hampers quality due to the lack of initiative of transient care givers to be quality care givers, as the nature of provider changes from child developer to laid-off worker.As laid-off workers return to better-paid work, this transience encourages inconsistent child care . Inconsistent child care is a major developmental problem for children and a time consuming 'worrier' for parents.

Conclusion

A quality child care center -- due to the higher costs needed to support high-quality care — cannot compete in this low-cost FDC environment created by lax licensing. Child care centers, because they are regulated, can be the superior form of child care. While regulation of FDC does.not guarantee consistent, quality care, it does encourage it. Further, the lack of regulation exasperates the efforts of potentially good care providers.

This resultant lack of quality child care detracts from the productivity potential of parent workers and co-workers through anxiety and time spent making and adjusting to ever-changing child care arrangements. Unfortunately, individuals have little ability to effect change in this situation. Worse, yet, the 'product' in this business is our children.

V. RECOMMENDATION

The Child Care Total Involvement Team endorses Lincoln National's involvement in the child care needs of its employees, and recommends that Lincoln National (in order of priority):

1. Assist employees in the identification of affordable quality child care through the creation of an in-house resource and referral service.
2. Designate a key officer, sensitive to the issue of child care, to direct an educational effort aimed at improving the corporate understanding of today's working parents.
3. Initiate and participate in, the creation of a community wide registry of child care providers.
4. Develop a salary reduction program to help defray the cost of child care.
5. Establish an on-going program to assess the feasibility of a child care center for Lincoln National employees.

This form of corporate involvement is recommended in order to:

* meet employee needs expressed in the survey
* meet the corporate objectives of cost-containment
* reflect the availability, diversity and cost of local care
* benefit as many employees as possible, as quickly as possible
* deal with the corporate issue of non-prime hours
* address the quality and organization of family day-care
* encourage an awareness of working parents.

Child Care Professional

The Team believes that the above steps can best be accomplished by hiring a full-time, child care expert. An individual of this nature should have a background in child care and child development in order to identify quality child care programs and to provide direct counseling to parents on child care matters. Additionally, this individual should have the necessary skills to develop, implement and direct the recommendation for corporate involvement in an employer child care assistance program. The salary for an individual with these qualifications would be $35,000-$45,000. (See Appendix VII — Child Care Professional's Responsibilities.)

Child Care Consultant

This report is accompanied by a strong recommendation that the assistance of an employer-sponsored child care consultant be retained.

There are many benefits to contracting a consultant. Involvement in childcare is very complex. It requires choosing from numerous models, understanding regulations, awareness of community programs, objective evaluation of employee needs and an in-depth knowledge of the national child care network. The TI Team has made remarkable progress in gaining an understanding of this issue, but the Team members are not child care experts.

A consultant could review and analyze the work performed and confirm the validity of our conclusions.

More importantly, the assistance of a consultant is needed to assess the cost and payback associated with the recommended steps.

Specifically, we recommend that Dr. Dana Friedman, senior research fellow at the Work and Family Information Center in New York, be retained for a one-day consultation and be contracted for future limited counsel..

Available dates for Dr. Friedman's consultation would be May 9, 1984 or June 6, 1984. The cost of this one-day consultation is $750 plus travel and expenses. Future involvement and direction to LNC would be via telephone consultation and/or mailings at an additional charge.

Future Involvement of the Child Care TI Team

The efforts of this Total Involvement Team should not end with this report. The Team recommends that its active members:

- Participate in sessions with the child care consultant
- Provide support for the designated senior manager for child care
- Ease the transition for the full-time child care professional

VI. SUPPORT FOR RECOMMENDATION

Step 1 -- Resource and Referral Service

An Information and Referral Service (I&R) assists families in locating quality child care. Such a service provides families with referrals of pre-screened care givers which match the families' specifications of desired child care.

The proposed Resource and Referral (R&R) is intended to be more comprehensive than a simple I&R. It would be a visible presence within the company that serves as a communication channel for management and employees in their adjustments to the changing work force. In addition to the referral functions, the R&R program would include:

* information on selecting and maintaining child care
* working parent seminars
* newsletters to parents and care-givers
* tax information related to child care
* seminars to assist care-givers
* a resource library
* information on child development services available within the community
* articles in The Company News
* seminars for LMC management on child care-related issues

The establishment of the R&R service is given the highest priority in this report because it is an immediate method of addressing the problems of child care identified by employees, and has the potential of assisting a large number of affected employees.

Also, the October 1983 employee survey, which we have relied on to determine employee child care needs, was conducted before the non-prime work hours issue arose. Employees, particularly single parents, working other than prime time hours, may find it difficult, if not impossible, to locate child care. We believe this will increase the need for assistance provided by an R&R beyond what the survey indicated.

I&R heads the list of approaches businesses have taken to child care (Nation's Business, February 1984). "About 900 companies offer I&R to their employees, either directly or through specialized agencies". Such a service is attractive to companies because it is a low-cost way to provide assistance in child care related problems.

To serve the immediate needs of the employees, the company should establish an in-house R&R program as follows. This program will be managed by the full-time child care professional referred to above.

A data base of existing child care resources should be developed by this individual. Included in this data base would be nursery schools, school-based pre-schools, licensed child care centers, after-school programs, and licensed FDC providers.

As a short-term solution, the child care professional will also identify a resource list of unlicensed FDC homes based on employees's requests for assistance. Advertising in papers, posters, flyers and recommendations made by LNC employees would help identify appropriate homes. FDC providers must meet minimum criteria such as: liability insurance; minimum home safety requirements; previous child care experience; evidence of good physical and mental condition. Due to the complexity of establishing this listing (discussed below), this is viewed as a temporary measure. The long-term measure is the community-based registration system for FDC.

Using the above-listed child care resources as a reference base, the child care professional would:

1. Assist employees in defining the type of care they desire.
2. Give a number (three if possible) of referrals to meet their needs.
3. Be available to support the employee through the selection process.

The support described above is important because parents often have no idea about child care options and need considerable education to make appropriate choices. This program can help parents understand and choose among the variables of cost, hours, location, quality, and type of care.

LNC should anticipate incurring costs in addition to the child care professional's salary for this step of the proposal. Additional costs include: secretarial support; office space; copying and printing; telephone; postage; and local travel. An estimate of the additional costs is $15,000 per year. Further costs may be incurred if the data requires computerization.

In operating an in-house child care R&R, Lincoln National needs to minimize its legal liability. Guidelines that have been followed by other corporations to limit liability include:

* The child care professional never recommends a specific provider to a parent. A number of referrals (where possible, three) are given leaving the final decision with the parent.
* All FDC providers listed with the R&R will be required to have their own liability insurance.
* A clear procedure is established for removing providers of questionable quality from the LNC referral listing. For example, if two or more complaints are made by parents about a provider, the name should be removed from LNC lists. Providers should be informed of this policy before entering into the listing.

Step 2 — Improving the Corporate Understanding of Today's Working Parents

A key officer, responsible for increasing awareness of and sensitivity to the needs of today's working parents, should be designated. A similar designation was considered an important part of Lincoln National's Management Development Program. We believe this approach is equally critical to the success of this program.

Step 3 — Community Wide Registry of Child Care Providers

Throughout the country, resource and referral services use, almost exclusively, lists of FDCs obtained through the licensing agency in the applicable state. However, the majority of FDC providers in the state of Indiana are not licensed because Indiana licensing requirements do not include providers caring for less than six children. In fact, there are only seventy licensed FDC providers in Allen County.

Because licensed homes in Fort Wayne are few, any resource and referral service must establish a voluntary registry of FDCs. Compiling and maintaining the registry for a city this size is costly. Rather than assume the cost alone, Lincoln National should initiate and participate in the development of a community child care registry. The registry could be expanded by the community to include a resource and referral capability for use by other area employers and the public.

This would support a community need. "Community-based Information and Referral services appear to be critical elements in the smooth functioning of the child care market in the U.S. In particular, they offer assistance to parents in locating and choosing care, help to providers that increases the quality of care offered, and data for public policy matters on supply and demand", according to the March 1980 Ford Foundation publication 'Minding the Children'.

In many communities, publicly or privately funded services help the consumer identify and understand the child care choices. In Fort Wayne, however, parents are left to their own devices in this complex search. No one in the community educates and counsels parents in selection. The regulatory system ignores non-subsidized FDC, and thereby renders it invisible to the consumer. Most of the attention in Fort Wayne has been concentrated on services for low income families and very little has been directed at the growing needs of the middle class.

Resource and referral agencies which are community-wide have proved successful. As an example, Boston's Child Care Resource Center is an independent resource and referral agency which assists 500 to 600 parents monthly; three quarters of these are through corporate clients. Among its business clients is the New England Life Insurance Company. "Out of 3,500 employees, about 200 have made use of the center" (Nation's Business, February 1984).

Under the direction of the child care professional, Lincoln National could continue to deliver its resource and referral services on-site with its own counseling. Lincoln National would be linked with the community registry and an enhanced resource and referral data base. This would allow the Lincoln National child care professional to exert more effort towards employee support activities and less towards the maintenance of resource listings. With Lincoln National as the driving force, the establishment of a successful resource and referral service could benefit the community as a whole rather than be limited to only its own employees. This would reinforce Lincoln National's role as a sensitive employer and community leader.

Step 4 -- Develop a Salary Reduction Program to Help Defray the Cost of Child Care

The cost of child care is important to parent employees. This was clearly indicated by the October 1983 employee survey. As other efforts seek to improve quality and availability of child care, there will be upward pressure on cost. There are several ways of reducing the cost of child care without sacrificing quality. Most of these involve a subsidy from employers.

They include:

- Dependent care assistance programs (where the employer pays all or part of the employee's child care expenses).
- Guaranteed places in existing child care facilities, in exchange for reduced fees for employee's children.
- The Kindustry Plan, where employers and Kindercare work together to reduce the cost to employees by 20% in Kindercare centers.
- Subsidized child care centers, run principally for children of employees. In this case employers may subsidize start-up or on-going expenses.
- Creation of a tax-exempt not-for-profit child care center for use by the community at large under Section 501 of the Internal Revenue Code.
- Establishment of a salary reduction arrangement for dependent care.

The Economic Recovery Tax Act (1981), in part, specifically excluded certain types of assistance from inclusion in employees' taxable income. Amounts paid or incurred by the employer for dependant care assistance are excluded if the program qualifies under the Internal Revenue Code.

A salary reduction arrangement will absorb increased cost through tax reduction. It may also be used to make higher-cost options available, such as 'Lincoln' child care centers with infant care, to a broader group of employees if worked as a fixed percentage of salary.

The salary reduction arrangement is recommended for several reasons:

- Employee assistance should not carry a significant cost to the corporation.

- Employee assistance should not discriminate against any group of employees.

- A correctly structured salary reduction arrangement would fit in with the direction of flexible benefits.

- The 1985 Federal Budget seeks to alter the Tax Credit for dependent children in favor of the lower paid, and against the higher paid.

It should be noted that salary reduction arrangements of this type also reduce employer FICA liability and any savings so achieved can be used as a 'no cost' employer subsidy. The FICA savings to employees may serve as additional incentive to enter the arrangement.

Salary reduction arrangements are 'sweeping the country' among professional firms. However, it is predicted that the extent to which salary reduction plans can reduce salary will soon be limited by the IRS.

Step 5 -- Establish an On-going Program to Assess the Feasibility of a Child Care Center for Lincoln National Employees

The child care survey, conducted in October 1983, asked respondents to rank the type of assistance that would be most desirable to them, without outlining the circumstances surrounding such assistance. While most recipients favored a child care center at or near their place of work, this survey question did not elicit their expectations of the corporation with regard to the center. The survey also indicated that the average weekly child care cost is $34, and that employees were prepared to pay only a little more to obtain more satisfactory child care. Infant care within these centers is an important need for employees.

A Lincoln National child care center could resolve a number of child care related problems for both employees and the corporation. These include:

- increased confidence in quality of care, reducing worry

- simplified drop-off/pick-up, reducing tardiness

- removal of problem of sick or vacationing babysitter, reducing absenteeism

- improved accessibility, particularly on snow days, reducing absenteeism
- greater flexibility in hours that employees could work, increasing availability to work both overtime and non-prime hours
- increased control over the care situation, reducing worry.

In addition the introduction of infant care within such a center would:

- provide consistency of care for children from age six weeks through five years, reducing time taken to locate new child care
- simplify the task of new parents seeking child care for the first time, and potentially reducing leaves of absence and voluntary terminations.

Each of the above would help to alleviate the aspects of child care which impact employee productivity, and at the same time would improve the attractiveness of Lincoln National to potential new high calibre employees.

However, a child care center, with infant care, established by Lincoln National is a potentially high cost solution. This is emphasized when compared with the available care in the community. The higher cost would have to be borne in one of two areas, or both:

- High fees to parents
- Subsidies from the corporation.

Although there is much to support the establishment of on- or near-site child care centers, particularly to address the infant care need, considerably more investigation must be conducted, by a qualified individual, before such a recommendation can be made.

The team has formulated a series of ideas which could be used to help reduce the cost of running a child care center. While some of these may not be practical from a legal or administrative perspective, it is encouraged that they are considered when assessing the cost of establishing a child care center.

- Volunteer caregivers - Retirees could be surveyed to see if a pool of resources is available to provide volunteer helpers. Also other community resources (such as church groups or Senior Citizens Center members) could be utilized as volunteers.

- Bulk purchasing - Use the Corporation's Purchasing Dept. to do the purchasing of the required equipment, etc. to realize a possible savings.

- Use of Corporate Services - If chargeback rate is lower than the center would pay independently for such items as: food preparation, custodial services, photocopying, health services, AOS (personal computing for administrative needs), hiring, telephone services, transportation, etc.

- Parent cooperative assistance - Require each parent to work a pre-established amount of time (at least one hour per week at the center doing: maintenance, baking, cleaning, artwork, yard work, storytelling, field trips - whatever they enjoy doing that is needed. They may want to use their professional skills (attorneys, accountants, medical professionals, programmers, teachers, etc.) to provide a more direct savings to the center in lieu of their one hour commitment. These activities would need to be coordinated by a parent organizer.

- Renting out the facility on off-hours - Could be used for gymnastics, dancing, or exercise classes. It could be opened for special care during community affairs meetings, concerts, or during conventions if needed.

- Use of student helpers - If resources exceed the jobs currently available, vocational education high school students, college students or nursing students interested in child development fields would make excellent part-time and summer helpers. Especially for the older (school aged) children in the summer.

- Create a non-profit organization - To realize tax benefits and possibly pass any excess profit back to the parents (or use for low income family support, charity or special programs).

- Bulk purchase of baby items (only if an infant center is present) - For use by the center and to sell to parents at a slight mark-up.

- Donations by parents (or community) - Used equipment, toys, books and supplies.

- Consignment store (reasonably priced extra space would need to be available) - To sell used equipment, toys, and clothes for the parents with the center getting a percentage.

- If set-up for the company only - Make empty slots available to other people in the community to maintain full enrollment. Lincoln National employees would still have priority to fill future slots.

- If tax credits are possible - The company could pass these credits on to the center in the form of reduced lease rates or to reduce service charges.

VII. APPENDIXES

Appendix I -- Existing Employer-Supported Child Care Programs

A growing number of employers are acknowledging their employees' child care needs. The number of companies providing substantial assistance has grown from 100 in 1978 to nearly 600 in 1983 (Health and Human Services Department Report).

American Management Association (AMA) research of 204 companies involved in child care assistance indicates that service industries such as banking, finance, insurance, and health care are the most responsive in providing child care services. The AMA study also reported that "almost 100 percent of respondents saw the benefits as far outweighing the costs."

Insurance companies are among the fore-runners in addressing their employees' child care needs. This list -- not intended to be all-inclusive — illustrates the array of alternatives employed by some of our counterparts.

Company	Program (See key below)
Connecticut-General	CO/CM on-site center
Equitable Life	Support of XO/XM centers in three cities in exchange for reduced tuition
Group Health Plan Ins. Co.	XO/XM noon-hour parenting seminar series
Houston Gen'l. Ins. Co.	Employees' school age children may attend SO/XM summer camp program
John Hancock	XO/XM Information & Referral
Metro Life Ins. Co.	XO/XM center in exchange for access to program
New England Life	XO/XM Information & Referral
Northwestern National	Support of XO/XM working parent seminar series
Prudential Life	XO/XM working parent seminar series
Union Fidelity Life	CO/CM on-site center
Union Mutual	CO/XM off-site center

XO/XM — Externally-owned and externally-managed program by for-profit or non-profit organization

CO/CM -- Company-owned and company-managed program

CO/XM -- Company-owned program that is externally-managed by for-profit or non-profit organization

Several companies sponsoring child care programs are located in our region.

Fort Wayne's Lutheran Hospital opened an on-site child care center in 1979. The center has a capacity of 65 infants and preschoolers per shift and operates 24 hours a day, seven days a week. Employees pay $1.10 per hour and the hospital subsidizes the remainder — hundreds of thousands of dollars each year. The waiting list for the first shift is approximately 150 names long.

Steelcase Industries, the country's largest manufacturer of office furniture, provides an Information and Referral service to help parents locate and maintain appropriate child care. Located in Grand Rapids, Michigan, the company employs 6,400 workers, 1,100 of whom are women. Two trained child care professionals, each working 30 hours per week, counsel parents seeking care, refer registered or licensed care givers, and visit homes that serve company employees to improve and monitor quality.

Nyloncraft, an injection molding firm, is located in Mishawaka, Indiana. In 1981, the company opened a center which has a capacity of 120 infants, preschoolers, and school age children. The company provides subsidy, space, and in-kind services to the center which operates the day shift, plus evening and night shift.

Appendix II — The Changing Work Force

The trend is irreversible: the composition of today's work force has changed dramatically in the past two decades.

The facts underscore the prominence of mothers in the work force:

- One-third of all mothers with infants work.
- Forty-three percent of mothers with children under three work.
- Almost 57 percent of mothers with children ages 3 to 5 work.
- By 1990, 11 million more women with young children will work.
- While the number of working women has doubled since 1940, the number of working mothers has increased tenfold.

Because of the prominence of women in the work force (the majority with young children) family care is no longer the exclusive domain of women. Child care is a shared responsibility.The child care issue, as a result, affects men. As the number of working mothers and their importance in the workplace increases, family care responsibilities of males increase.

- Almost 66 percent of all husband-wife families now have two earners.
- By 1990, it is estimated that half the men in the workplace will be fathers. Only one in three of those men will have a wife who doesn't work outside the home.
- Child care seminars conducted in the workplace reflect the concern of the father, with about 20 percent of the participants being fathers.
- The number of single-parent households is on the rise, many of whom are men, as fathers increasingly demand and receive custody of their children.

BACK PAGE

Bringing Up Baby (While Working)

Does Parenting Have an Effect on Workers' Productivity? As Studies Go On, One Specialist Says There Are Costs

By [illegible]

[illegible]

NEW YORK — Everyone knows that women have gone to work, but only now are researchers examining how the resulting changes in family life, for both male and female workers, may be affecting productivity and profits.

Even before the hard evidence is in, some companies are examining their policies to see how they should adapt to the changing nature of the work force.

Citibank in New York now offers its employees seminars in family and parenting issues. So does Bankers Trust. Chemical Bank includes child care in a flexible benefits package. And First National Bank of Atlanta recently instituted an on-site day care center.

For companies and researchers that are looking at these changes, one area appears to be central: How does the stress of parenting — taking on a second job at the end of the traditional work day — affect employee performance?

How many parents call in sick when their children are sick or when child care arrangements fall through? How much time is lost to the "3:15 syndrome," when parents wait to hear if their children made it home from school? How is productivity affected by workers' anxiety over their performance as "part-time" parents?

The Increase in Working Women

The change in the work force has been radical and sudden: In 1947, only 19% of women with children under 18 were in the labor force. By 1980, 56% of these women were employed. And in the 1990s, it is estimated that 45% of American workers will be female and 80% of the women will become pregnant during their working years.

As for single-parent workers, their numbers will rise to 10% of the work force by 1990.

While most people agree that the stress of the dual roles of parent and worker has been heavier on women, men have also been affected. Male workers, who previously could rely on a stay-at-home wife to care for their children, now often don't have that luxury. By 1990, half the men in the workplace will be fathers, it is estimated, but only one in three will have a wife who doesn't work outside the home.

Studies on the problems engendered by these new trends are still unfinished. But it seems clear that parental stress does reduce productivity, according to Stephen Segal of Resources for Parents at Work, a Philadelphia-based consultant in family and work issues. Mr. Segal's seminars, which are given to employee groups, cover such topics as "Working Parent Burnout" and "Loving, Leaving, and Returning."

"There is a fair amount of anecdotal and clinical evidence that stress is absolutely central for working parents as they try to cope with their dual roles," Mr. Segal said. "It is clear people don't forget about it all day at work."

One of Five Are Men

Women still experience more stress than men in the conflict between parenting and working, Mr. Segal said, but men are also affected: "About one out of five seminar participants are men. All are concerned fathers. And the more concerned fathers are more likely to experience the guilt, doubt, and exhaustion women often feel."

Working parents have three kinds of needs, Mr. Segal believes. They need satisfactory child care. They need some time flexibility to meet children's needs that may arise during traditional work hours. And, perhaps most important in Mr. Segal's view, they need confidence to feel that they are doing a good job of parenting, even though they are doing it in a limited amount of time.

It's never easy being a parent, Mr. Segal said. But when you are trying to do it in a limited amount of time, at the end of a tiring work day, you need all the help you can get. He believes parents can get help by improving their skills and by learning what their goals are as parents.

The Long Goodbye

For example, parents of very young children who come to Mr. Segal's seminars frequently speak of the daily anguish of having to leave a child who is crying and begging the parent to stay.

"It often raises the question in the parent's mind: Should I say goodbye or should I just slip out?" Mr. Segal said. But if parents can remember their goal of building a strong, trusting relationship, he believes they will probably decide not to sneak out and will probably feel better about saying goodbye, even if the child does cry.

Mr. Segal gives his seminars to many corporations, including a number of banks. "Usually, the companies have me in because they've heard or read that it's a good idea for them to do this," he said. "But people are not sitting back in board rooms saying, 'I'm seeing such and such a person routinely late on Monday mornings. I wonder if it's a family problem and if we ought to do something about it.'"

The impetus to help parents reduce stress will have to come from management, Mr. Segal said, because working parents have been "encouraged to pretend that there is no problem. They have been afraid to admit it exists for fear it would impair their ability to hold a job."

Banking Industry Among Leaders

Those companies that are already looking for ways to help working parents cope have a variety of reasons for their concern, said Dana Friedman, senior research fellow at the Conference Board, a business research organization that counts most of the Fortune 1,300 as members. Reasons range from improving recruitment, reducing turnover, and reducing absenteeism to raising morale and improving public image.

Ms. Friedman said that interest among corporations has been such that the Conference Board recently established a national clearing house where information about corporate practices in supporting working parents will be collected.

The banking industry, along with insurance companies, hospitals, and high-technology companies, is a leader in the effort to assist working parents, said Ms. Friedman, who works at the Conference Board's family information center.

The high concentration of women employees in banks, insurance companies, and hospitals is one contributing factor, Ms. Friedman said, but it is not the only one. In high-technology companies, women make up only about 40% of the work force. But, Ms. Friedman believes, companies with relatively young leaders are more likely to understand how lifestyles and employee needs have changed and that attention to the needs of parents is a recruiting advantage.

"All told, about 1,800 employers around the country provide child care assistance for their employees," Ms. Friedman said.

Corporations are also interested in the [illegible] information and referral programs, Ms. Friedman [illegible] to help put employees in touch with child care services.

"Child care is just one piece of the whole [illegible] growth," she said.

Echoing Mr. Segal, Ms. Friedman said although there may be corporate interest, "corporate policy has not begun to catch up with the diversity in the workplace. Most American decision makers are men who have had another lifestyle."

Studying a Multinational Firm

One of the studies on parental stress and productivity is being conducted by the Bank Street [illegible] College in New York. The college's three-and-a-half-year study is focusing on the 3,000 employees of a New York-area multinational company.

The study will "measure the quality of family life and the quality of work life, considering such issues as productivity and absenteeism and how they relate to each other," said Ellen Galinsky, who directs the school's work and family life study.

"The purpose is very practical," Ms. Galinsky said, "not just to understand the problem. If you find a third of the people have a lot of stress, so what? The purpose is to find out what are the things both companies and individuals can do to improve the situation. What are the pressures? What are the solutions?"

Some answers may come through individual [illegible], she says, such as "how do you handle the transition from being a powerful executive at work and then coming home to a [illegible] sick, [illegible], and a 3-year-old you can't get into the bath?"

"We'll be asking, 'What do people do [illegible] work?'" Ms. Galinsky said.

The researchers will also look for ways corporate practices can be changed to help parents handle dual roles.

"We don't know the answers yet," she said. "We don't know what people think would make life better for them."

Next: What banks are doing

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Appendix IV — Employee Survey

INTRODUCTION

A Child Care Total Involvement Team prepared a questionnaire which was distributed to all home office employees with the 9/30/83 issue of The Company News. Of the approximately 2,800 employees surveyed, 869 responded. This is more than 30% of the population and exceeds the 20-25% response that LNSC Market Research indicated we could expect from a survey of this type.

LIMITATIONS

Any survey contains limitations. Below are some of the limitations of the Child Care survey:

- Not enough information is available to permit valid extrapolation of the results to cover the company as a whole. It is typical in a survey of this type that those with an interest will respond and those with little, or no, interest will not respond. Assuming the potential employee population impacted is aged 20-39, 680 of those 2,000 employees responded.
- We acknowledge that if both parents are employees of the company and if both responded to the survey, some values may be inflated. However, we feel that the effect of this is minimal because there are not a significant number of couples employed by the Lincoln.
- A few responses indicated that certain questions were misinterpreted by the respondents. These ambiguities were resolved by resorting the data and making additional analysis runs.
- The survey did not attempt to identify split-shift or part-time employees.

GENERAL STATISTICS

The following are the general statistics of the population which responded to the survey (30% of all employees). Of the 869 questionnaires returned:

- 78% were completed by women and 22% were completed by men;
- 61% of the respondents are located downtown and 39% are located at LNL West;
- Night shift employees comprised only 1%;
- 55% were returned by grade level 01 through 11 employees, and 45% were returned by exempt employees;
- The majority of the respondents were age 20-39 (79%).

CURRENT CHILD CARE NEEDS

40% of the respondents (349 surveys) identified they have children who require care during the work day. An additional 10% (61 surveys), who currently do not have child care needs, anticipate that they will have such needs in the next twelve months.

Of the children requiring care during the workday:

- 170 are age 0-2;
- 167 are age 2-5;
- There are 127 school age children requiring part-time care during the workday or during school breaks.

FACILITIES USED, PRICE PAID AND CONVENIENCE

The child care arrangements used most often are:

- Children cared for in another's home - 68%
- Children cared for at a child care center - 11%
- Caregiver comes into the employee's home - 9%
- Children attend a pre-school nursery - 6%
- Other - 6%

Of the respondents who take their children outside of their homes for child care purposes, 40% (120 respondents) indicated that the facility was not on their way to work. These employees drive an average of 6 extra miles each day.

The weekly child care cost per child varies greatly ($0-$100). The average paid per child is approximately $34.

PRODUCTIVITY

68% of all respondents (515 employees) felt child care problems affect work productivity. Explanatory comments to the survey indicated that work productivity is affected as follows:

- Worry about child care which affects productivity by:
  - becoming the subject of discussion with co-workers
  - distracted mental energy
    - loss of time 'doing the job'
    - inadvertent work errors
- Absenteeism, including arriving late or leaving early, creates a work overload and additional stress for the individual and/or co-workers.
- Personal calls to determine welfare of children or to make alternative child care arrangements.
- It is difficult to schedule work commitments outside of a regular work day.

DETAILED PRODUCTIVITY RESULTS

- A majority of the respondents who have child care needs (64%) felt it was necessary to arrive late or leave work early. This happens an average of two times per month.
- In the last 90 days, 28% of those with child care needs had to miss working days due to problems with child care arrangements. Number of days missed averaged 1.8. (It is not known how many were administrative absence and how many were vacation days).
- A majority of the respondents with child care needs (60%) found it necessary to make alternative child care arrangements due to problems with usual arrangements. This happened an average of three times in the last 90 days.

WHAT CAN BE DONE TO IMPROVE THE SITUATION?

The survey included two questions which were meant to help define what steps might be most meaningful to the employees.

- One half of the respondents with child care needs indicated they would be willing to pay more if they could obtain more satisfactory child care arrangements. Of those who were willing to pay more for an improved child care situation:

  - 52% (74 surveys) would pay $2-5 more
  - 37% (53 surveys) would pay $6-10 more
  - 11% (16 surveys) would pay in excess of $10 more

While employees appear to be unprepared to pay much more at present, it is not necessarily an indication of the current level of satisfaction with existing arrangements.

- The type of child care assistance that employees would find most desirable, in order of importance, are:

  - A child care facility near the place of employment.
  - Assistance in finding satisfactory child care.
  - No assistance needed.

We feel these results contain a limitation in that it was difficult to establish a clear ranking of preferences. The first and second choices were very close.

Appendix V — Management Interviews

Not only are employees with children affected by inadequate child care, but managers also feel the impact on work productivity. In several interviews with managers, the team has heard, repeatedly, the impact on managers and other employees. Comments such as:

1. "I lost one of my best people because the mother had to stay home."
2. "Another significant problem....is the inability of certain employees to work overtime."
3. "I've witnessed the aggravation and distraction resulting from inadequate babysitters and the almost total preoccupation with trying to find out if the current babysitter is as good or as inexpensive as someone else's."
4. "Lincoln will have to do something if they hope to attract quality talent into the corporation."

In the American Management Association report, the sponsoring organizations were asked whether the cost of childcare outweighed the benefits to the organization. Over 75% responded that the benefits far exceeded the cost citing the following reasons:

1. Less absenteeism
2. Greater stability and loyalty
3. Improved morale
4. Enhancement of the organization's image to employees and community
5. Improved ability to attract and maintain quality personnel
6. Less distraction and worry by parents during the working day
7. Return of valuable employees from maternity leaves, sooner.

APPENDIX VI — Options to Support Child Care Needs

There are many options available for a corporation's involvement in child care.

Eight corporate options for child care assistance are:

- The company-owned, on-site model
- The off-site, consortium model
- The vendor program
- The voucher program
- Salary-reduction
- Information and Referral
- Sick child care
- Sensitive personnel policies

The Company-Owned, On-Site Model

Located at or near the work site, the company-owned child care facility may be operated as a division or subsidiary of the parent company or as an independent non-profit corporation. Financial support may include start-up costs, operating expenses and tuition subsidy. The employer may hire a professional staff or sub-contract with a child care management firm.

The Off-Site, Consortium Model

In this model, a group of employers share the costs and risks of establishing a child care center. The companies provide seed money and may offer administrative assistance to the center. Employer support may underwrite the center's operating costs and partially subsidize employees' children's tuition.

The Vendor Program

The vendor program involves employer purchase of a number of enrollment spaces or slots in child care centers or homes and the subsequent resale of the spaces to employees at a reduced price.

The Voucher Program

The voucher system provides a voucher, or coupon, to the employee worth a specified amount towards the purchase of child care from any provider of the service.

Salary Reduction

Under this plan, employees' salaries are decreased by the amount of their child care expenses, not to exceed the income of the lower-earning spouse. The employer pays the child care provider and the employee reduces taxable income.

Information & Referral Service

Information & Referral assists families in locating quality child care. It refers employees to pre-screened care givers which match the family's specification of desired child care. In addition to referral, the service can offer information on selecting care givers, educational programs for working parents, tax information, etc. An employer may contribute to or contract with a local referral agency, join a consortium of companies that jointly underwrite administrative costs, or develop an in-house capability.

Sick Child Care

Some employers allow parents "leave" days to care for sick children. Other companies allow a certain number of "personal leave days" to be used as the employee sees fit. Still other companies have supported projects that provide short-term home health care for sick children of working parents.

Sensitive Personnel Policies

Many employers have implemented personnel policies that are sensitive and responsive to the needs of working parents. Alternative work scheduling such as flextime or job pairing is frequently used. Employee assistance programs are offered which include counseling and support for workers experiencing family problems. Other policies include extension of sick leave to cover serious illness of a child and more extensive maternity or paternity leave policies. Finally, some businesses have adopted a cafeteria plan, which allows employees to choose those benefits which best meet their needs. Child care is an optional benefit.

APPENDIX VII — Child Care Professional's Responsibilities

A pivotal factor in the Team's recommendation is the hiring of a full-time child care professional. This individual would have the following responsibilities:

- Interviewing and screening care givers (before inclusion on list).
- Compiling a comprehensive list of suitable care givers.
- Following-up with care givers on referral list to ensure continued suitability and availability (this would be done on a periodic basis).
- Interviewing parents to determine their child care needs.
- Referring parents to appropriate care givers on list.
- Developing seminars and newsletters.
- Counseling parents and care givers.
- Acting as a qualified resource in the company and the community in matters concerning child care.
- Monitoring and reporting legislative, regulatory and taxation changes.
- Investigating the feasibility of a Lincoln National child care center as the community child care environment evolves.
- Providing support and assistance for the designated senior manager.
- Maintaining a child care resource library.
- Keeping up-to-date with the national child care and child development trends.
- Assisting with the development of a workable salary reduction program.
- Providing services to other community employers on a 'fee for service' basis. This could be both referral services and educational/workshop services.

PREPARED STATEMENT OF BONNIE WATKINS, AUSTIN, TX

Women on the job force need all the help they can get in locating and assuring quality day care for their children. I commend this committee for the time, energy, and expense that is being devoted to receiving this testimony. However, there's another group of women who also need help. These are mothers who choose to stay at home with their children and who are struggling financially and emotionally for it.

Our family has made financial sacrifices for me to stay home with our children, ages five and two. My husband has begun his own business and we have not only been a one-income family, we have often been a no-income family living on savings! We haven't seen a roast beef on our table in five years, our children wear only hand-me-downs, eating out is rare and then usually at McDonalds--in short, saving is a way of life. While we don't feel deprived with our lifestyle, and are quite grateful that we haven't had to borrow to this point, we are aware that because we are not currently saving money, we may have to borrow for our boys' education later. I supplement our income by doing a number of jobs that I can perform at home: I rent electric breastpumps for mothers who have to be separated from their nursing babies, I sell hand-held breast pumps, I perform puppet shows for children's birthday parties, I keep two neighbor girls after school, I letter certificates and I substitute teach at our church pre-school where the boys can accompany me. All of these jobs garnered me a whopping $1,000 income last year, but that was $1,000 more food dollars and a chance to stay at home with my boys. My master's degree and my teaching career are on the shelf for the moment; by choice.

I know many other women who have sacrificed well-paying and/or satisfying careers to stay at home with their children because they feel strongly that home with mother is the best place for small children and mother at home is the best arrangement for returning school children.

Yet, many mothers who want to stay at home and supplement their family's income are frustrated or prohibited by labor laws and tax provisions. When one mother that I interviewed tried to start a catering business in her home, she was frustrated by local health ordinances. To qualify for a license, she was required to have three stainless steel sinks in her kitchen in three separate locations--one for washing hands, one for dishes, one for mops. An outside entrance to her kitchen was necessary. In addition, if any males worked for her in her home, separate bathroom facilities were required. All of these requirements would have necessitated expensive re-modeling investments that she was not able to make initially. So, the catering business and a subsequent home income were not possible.

Another at-home mothers practices freelance writing. Office space in her home cannot be deducted from her taxes unless she makes a profit. Yet, she has to pay taxes on any amount of income from articles sold.

Another mother who has chosen to stay at home with her three boys is an attorney by profession. In her home, she works part-time on a Family Law newsletter, reading and summarizing cases to keep practicing attorneys informed of current litigation changes. If she died, the social security that she pays would not be able to be collected by her sons, since they would be able to collect only from the main provider of the family, their father.

I also know another kind of mother. This is the mother who works not because it puts food on the table, but because her paycheck keeps the family from worrying about unexpected expenses and heightens their lifestyle. Often the husband is pressuring this mother to contribute financially to the family when she would prefer to stay at home with her children and believes in the importance of it. It is this borderline working mother and her husband who might be moving over to staying at home with her children if there were financial incentives in our government that would make staying at home more attractive.

What emotional sacrifice does a mother at home make? Society often assumes that this is all that she can do and that she is less intelligent than the marketplace mom. Jack Anderson stated the case at length in a recent column, "Equal Rights Wanted for At-Home Mothers":[1]

> Most working mothers cannot find adequate day care for their children. Most divorced and widowed mothers can't collect the full child support that the courts have ordered. Mothers who want to stay home with their children are treated as social inferiors.
>
> The government offers tax incentives and pension benefits to mothers who leave their children during the day and find jobs away from home. Mothers who try to earn a living at home, where they can keep an eye on their children, may even run afoul of the labor laws.
>
> The media is the worst offender. It glorifies sex but denigrates motherhood. Career women are portrayed as glamorous, homemakers as frumpy.
>
> . . . In other words, child-rearing isn't chic; homemaking is old-fashioned; mothers at home are a throwback to less enlightened times.

Dr. James Dobson, psychologist and published author, says it even plainer. He says that our society calls mothers who stay at home with their children "suckers."[2]

In her book, Where Have All the Mothers Gone?, Brenda Hunter summarizes:[3]

> Many women in America today are floundering because they lack a vision for the enormous potential of the mothering role. Mired in the negative portrayal of motherhood that is prevalent in feminist literature and the media, these women need to be encouraged to see the positive influence they can have in their children's lives.

Why does the U.S. government have a vested interest in keeping mothers at home? From birth, a child develops confidence and sureness in his attachments from bonding with one primary caretaker. Many caretakers confuse him. John Bowlby, a world authority on maternal attachment and deprivation, points out the importance of consistent care and that the parents are the best providers of that care.[1]

One primary caretaker is more expensive than organizational care and the lower caretaker-child ratio is also more expensive since a greater number of workers have to be paid. If more mothers enter the work force and leave their children in institutions, we are going to have more and more children who are unable to make strong attachments in adult life because they didn't establish an early attachment to one person. This makes for more children who grow up to be maladjusted citizens; crime may be the outgrowth, or increased divorces and weakened family life, or just simply immature and insecure citizens who don't reach their fullest potential and contribution to our country. Such a breakdown in human personality is costly to a society.

Other countries that rely on day care may teach us something about that system. When childcare specialist Dr. Meers interviewed the director of the Hungarian Bureau of Child Care, the director apologized that group child care was done strictly as an economic necessity in Hungary. Their weak economy required that every able-bodied adult, including mothers, work. However, the director assured Dr. Meers that the Hungarian government was working toward the goal of limiting day care as soon as possible. She could not understand why mothers in the U.S., one of the richest nations in the world would wish to choose day care for their children, when Hungary was trying to get out from under that system. Further, the Czechoslovakian government launched a television campaign to actively dissuade its citizens from further placements of young children in day care; they were concerned enough about the despondent children that had resulted to get involved in trying to change citizen's minds about the wisdom of this choice.[5]

Mothers at home also provide another valuable financial resource to this country. They are the backbone of the volunteer system that keep many organizations and community services afloat. Mothers at home are the ones who have more time than mothers in the workplace to serve in hospitals, in libraries, for cancer drives and a host of other "drives." They serve more frequently in our churches and schools. In public services, they staff the positions that would otherwise require many other salaries to be provided.

What can be done to shore up mothers at home? Tangible, economic incentives that reward them for staying home with their children are the most important. Even if there cannot be large financial incentives, some incentive, any incentive will make these mothers feel that what they do is important. Social incentives that make a statement that mothers at home are a valuable natural resource and that they deserve recognition will begin the turnaround in society's thinking that casts mothers at home as less valuable citizens.

Here are various suggestions that mothers have offered for economic and social incentives that would be helpful:

1. Economic incentives from government to private corporations that will institute job-sharing programs or flex-time programs so mothers can work part-time while older children are in school, or during hours when the father is at home to keep smaller children.
2. Equal IRA deposits for homemakers.
3. A government lead in recognizing skills homemakers acquired while at home that are listed on resumes when they re-enter the job force. For example, having volunteer jobs count as previous experience.
4. A social credit for every year at home that can be redeemed for college credit upon return to school.(Actually, this was not contributed by a mother, but by the President of Catholic University.)
5. Encouragement for businesses to provide places for children to remain with their mothers when the work permits. (One political candidate in Austin did this for volunteers; younger children were near-by in a separate room and older children performed useful work stuffing envelopes and loved it!)
6. Husbands receiving dependent sick leave to care not only for sick children, but also for sick wives at home.
7. A government standarized and publicized figure to be established as the "equivalent salary" that a homemaker would earn in the marketplace if she were paid for comparable services. By ascribing a dollar and cents value, this figure would boost the morale

of homemakers and could be used as a basis for establishing social security deposits for homemakers and as a standard in litigation.

8. A tax credit for mothers who remain at home.

There are only suggestions. Some may be impractical and there are surely others that haven't been mentioned that would be helpful. The important thing is that the negative mind-set of being "just a housewife" change. If this committee breaks ground in recognizing that it is valuable enough to this country's future to make staying at home attractive, others may follow. We only ask that you put your minds to work for solutions for not only mothers in the marketplace, but that you also consider the position of mothers at home. Please give us the same creative problem-solving and work toward economic and social incentives to reward mothers who choose to stay at home raising their children.

ENDNOTES

[1] Jack Anderson, "Equal Rights Wanted for At-Home Mother," *Austin American-Statesman*, May 10, 1984.

[2] *Focus on the Family* radio broadcast, May 2.

[3] Brenda Hunter, *Where Have All the Mothers Gone?* (Zondervan Publishing House) 1982, quoted in *Focus on the Family Magazine*, May, 1984, p.6.

[4] John Bowlby, *Maternal Care and Mental Health*. (Geneva: World Health Organization) 1952.

[5] Raymond Moore, *Better Late Than Early*. (Reader's Digest Press) 1975.

Texas conference of churches
Telephone 512 / 478-7491, 2704 Rio Grande #9, Austin, Texas 78705

June 1, 1984

House Select Committee on Children, Youth and Families
Room H2-385, House Annex 2
Washington, D.C. 20515

I am pleased that the House of Representatives is providing leadership in examining issues related to child abuse.

As a staff member of a statewide ecumenical church organization, I am very aware of the cost tensions surrounding day care. High quality day care is expensive--prohibitively so for mothers heading single-parent households. Current licensing regulations require both "red tape" and expenses which inhibit the willingness of the voluntary sector to provide free or inexpensive child care. It is also doubtful if there are enough potential volunteers to make an impact on the problem even if licensing systems were more flexible.

Because of money problems, too many parents place their children in grossly inadequate or even dangerous situations or leave their children completely unattended. It's a frustrating dilemma for which I see no easy answers. As more children are raised in single-parent households and the dual-income/career expectations of two-parent families permeate our society, I expect the problem to steadily increase.

One would assume that child care at the workplace and child care vouchers will become the next major fringe benefit issue, but that apparent luxury probably requires an extremely healthy economy and business environment, as well as a high demand for workers. Corporate tax laws probably could be modified to encourage more of this.

I am quite certain that the altruism of churches and other groups does not significantly alleviate the problem now, nor will it in the future. Most church day care centers have little church financial support beyond space, and infact, many are actually run by separate organizations which rent the space. Here in Austin, many of the child care programs which are truly run by churches are financially self-supporting, do not take children every day or all day, and require regular enrollment. In other words, they are a luxury item for the family which is affluent enough to pay for the program while supporting a non-working mother. A cynic could view them as an elitist phenomenon.

In addition to the problems raised by "ordinary" day care--lack of availability and affordability--my work on the Parents Warmline of Austin has caused me to be aware of the need for some special types of child care.

ECUMENICAL PARTNERSHIP INCLUDES: African Methodist Episcopal Church • American Lutheran Church • Christian Church (Disciples of Christ) • Christian Methodist Episcopal Church • Church of the Brethren • Cumberland Presbyterian Church • Episcopal Church • Religious Society of Friends • Greek Orthodox Church • Lutheran Church in America • Presbyterian Church in the U.S./United Presbyterian Church in the U.S.A. (PCUS/UPCUSA) • Roman Catholic Church • United Church of Christ • United Methodist Church • Unity of the Brethren

1. Drop-in respite care. The availability of drop-in child care to give mothers a break when frustration is about to overwhelm them is a critical need for prevention of child abuse. Ideally, such a center should charge on a sliding scale and be able to provide pick-up transportation, since it is often the isolated, trapped mother without money or a car who is most vulnerable to frustration explosions. Here in Austin, there are three drop-in centers. However, they are all expensive, none provide transportation, none accept infants, and parents are restricted to a limited geographic area in order to fit the licensing loophole which makes such a center possible. Here in Texas, licensing requirements make this sort of center difficult for volunteers to operate. Yet, if one could be more flexible and creative in organizing such a program, it would actually be one of the simpler kinds of child abuse prevention activities for volunteers to offer. The liability problem, especially surrounding transportation, is the other very difficult and expensive problem for volunteers.

2. Nighttime or flexible-time care. Approximately 1/6th of the calls we get at the Warmline are from parents needing regular child care at unusual or irregular hours--parents who work after 6 p.m., parents who work rotating shifts, etc. There are a few child care centers which accommodate parents who work at night, but I'm told that their waiting lists are discouragingly long. Parents who work rotating shifts, I'm told, have to either find a rare individual baby-sitter or find another job. In other words, most of the child care which is available serves only the parent who has an extremely regular 8-5 job.

3. Infant care. The lack of affordable infant care is a great problem both for working parents and for the purpose of child abuse prevention. The required staff-child ratio should probably not be changed, but it does cause such care to be almost prohibitively expensive. At the same time, mothers are most likely to seriously harm their infant children since the mothers are often exhausted, unsure how to cope or even determine why a baby is crying, and may be struggling with prolonged "post-partum blues." It's noteworthy that none of the three drop-in child care programs in Austin accept infants at any price. The most upsetting calls I've taken on the Warmline have all been from mothers of infants who have reached the breaking point. There is simply no immediate help for them.

I don't know how useful this litany of need will be to you. However, I appreciate your willingness to investigate the problem and I hope that some creative approaches to solutions will begin to emerge. Thank you for allowing me to share my concerns with you.

Sincerely,

Mary Lee Johns

Mary Lee Johns, director
Children and Youth Services Program

[illegible]

Select House Committee on Children, Youth, and Families
Rm. H2-385 House Annex 2
Washington, D.C. 20515

Re: May 21 Houston, Texas Hearing
"Child Care: Exploring Public and Private Sector Approaches"

I wish to have this testimony included in the record of the May 21 hearing. Based upon the experience my wife and I are having in Texas, I feel the House should develop a child care policy and legislation for the nation which would strongly encourage states to establish statutes prohibiting civil suits against families because they care for some pre-school children in their personal residence (within limits of established state guidelines).

My wife has a permit from the state of Texas and from our city planning and zoning commission permitting her to care for up to six ~~pre-school~~ children in our personal residence. (We have two children of our own, one six and the other ten years of age). There are a total of forty children belonging to all families living on our block. Three of the six children my wife cares for currently are from another house in block where the mother recently died of cancer (two mos ago).

FILMED FROM

Most of our neighbors on the block ~~are sympathetic~~ believe that what my ~~[illegible]~~ wife does in providing child care for six children is a valuable community service. My wife loves children and appears to ~~[illegible]~~ be extremely motivated and self-actualizing in what she is doing.

Two neighbors on our block do not feel we should be taking care of children in our residence because our deed says "we shall use the property for residential ~~purposes~~ only." They are suing us currently, with outside support from a number of parties living outside of our block. We are fighting the case because we feel that, ~~as~~ like all of the other 40,000 + Registered Family Homes such as ours in Texas, caring for children in a normal ~~home~~ setting must (by definition) be done in a normal residence. Therefore, such activity should be considered a "residential purpose".

We had a jury trial in Brazos County's 82nd court in November, 1983. The jury ruled in our favor in the issue of "waiver." The judge overruled the jury verdict. We are now in the process of appealing. Results of our case may affect other similar families providing child care and who are sued as we are currently.

Federal legislation which would provide child care aid to states [illegible] have a provision requiring states ~~[illegible]~~ to enact a statute such as we have suggested. Thank you.

Sincerely yours,
Gary Allen [illegible] 4014 [illegible]
College Sta. [illegible]

FILMED FROM

Malcolm Host, Executive Director, Neighborhood Centers, Inc., Houston, TX

DESCRIPTION OF PROGRAMS

Neighborhood Centers, Inc. (NCI) has been operating human service programs for Houston area residents since 1907. The history of NCI reflects a wide range of programs, which have been modified constantly to meet the changing needs of community residents. NCI is committed to operating programs which improve the quality of life in neighborhoods. Programs are provided for families and individuals whose abilities to secure needed services are hampered by limited resources.

NCI currently operates both facility based and non-facility based programs. Facility based programs provide services to residents of specific geographic areas in which our buildings are located. Non-facility based programs provide services to those who meet eligibility requirements of each program's primary funding source.

DAY CARE

Day care services are provided in NCI's eight day care centers, in 85 NCI licensed and supervised family day homes, and in over 200 private day care centers contracting with our vendor/voucher program. Average daily enrollment in day care is 1,225 children, with 95% of these children between 6 weeks through 5-years-old. The focus of our day care programs is on child development. The availability of low to moderate cost day care enables many single, working parents to remain self-supporting, rather than becoming dependent upon welfare.

Eligibility requirements for day care vary, depending upon the funding source. Families receiving Texas Department of Human Resources (TDHR) sponsored day care must meet the state's low income guidelines; be in school, job training or working; and, pay a minimal fee for services. Families receiving Community Development (CD) sponsored day care must meet low income guidelines, and live within designated geographic areas. Families receiving United Way sponsored day care are not restricted by income guidelines, with the fee based on a sliding income scale and ranging from $23-$50 per week.

The day care Fee Assistance Program serves families having temporary financial crises by partially subsidizing the cost of day care for up to three months. This program is particularly helpful to families with medical or employment problems who need day care in order to work and are temporarily unable to pay the full cost of care.

The CHATTERS program provides telephone assurance and emergency back-up services to children between the ages of 8 to 13 years, who are home alone after school because of parental employment. This program started in 1981 with a grant from the Hogg Foundation.

A special After-School Day Care program co-sponsored by the Houston Private Sector Initiatives Council and the Houston Independent School District started in February, 1983. This program is testing the feasibility of extended day care for elementary school age children being provided in the public school. Cunningham Elementary School in southwest Houston is the site for this project where day care is provided for 50 children daily.

COMPREHENSIVE SERVICE PROGRAM (CSP)

Under contract with the Texas Department of Human Resources (TDHR), CSP is the primary social service and preventative health coordinator for Aide to Families with Dependent Children (AFDC) recipients in Harris County. The goal of CSP is to assist AFDC recipients to become self-supporting and self-sufficient to the best of their capabilities. Four CSP units are located in facilities that are accessible to clients.

CSP provides these services:

1. recruiting AFDC clients for Early Periodic Screening, Diagnosis and Testing (EPSDT) physical and dental exams;
2. supportive case management and referrals on family related problems and needs;
3. community involvement through neighborhood needs identification, group problem solving, and
4. voluntary cooperation among area residents.

NEIGHBORHOOD CENTERS PROGRAMS

The focus of our Neighborhood Centers Programs is on meeting the total needs of residents in the geographic areas in which our facilities are located. These programs are based on the age-old social work concept of the "settlement house," a multi-service facility located within a neighborhood which strives to meet the needs of residents in a comprehensive manner. Services are developed and implemented based on the expressed needs and interests of area residents, who range in age from infancy to senior citizens. Special emphasis is placed on individual growth and development, the strengthening of family life, and improving the overall quality of life in neighborhoods.

NCI operates four distinct neighborhood centers programs in Harris County -- Ripley, Pasadena, LaPorte and Southeast Houston Area Programs. In 1983, over 200,000 different individuals received services through these programs.

1. RIPLEY AREA PROGRAMS

The "East End" of Houston was the site of the first NCI program which was started in 1907. The geographic area currently served includes the Second Ward, Clayton Homes, Denver Harbor, Port Houston, Central Park, Magnolia Park, Harrisburg and Manchester. The population of this area is 65% Hispanic, 20% Black and 15% Anglo; with about 30% of this population with incomes at or below the poverty level.

Programs are offered at two facilities -- Ripley House, 4401 Lovejoy, and Rusk Center, 2411 Canal. Three programs are provided -- Older Adult Day Care, Informal Education, and Facilities Provision.

The Older Adult Day Care program provides handicapped senior citizens with limited financial resources with comprehensive day care services in a neighborhood setting, enabling them to continue living in their own homes, thus delaying or preventing institutional care. An average of 35 senior citizens attend the program daily, receiving balanced meals, transportation, counseling, recreation and social activities, assistance with personal hygiene needs, and, home visits when unable to attend the program due to illness.

Facilities Provision leases space to a variety of human service agencies that offer area residents needed services, and to families and community groups for social and cultural events. In 1983, 22 different agencies leased office space at Ripley House.

Informal Education programs are offered at Ripley House and Rusk Center. A wide variety of classes and activities are available to all age groups, and are developed based on the self-identified interests and needs of area residents. Fees are charged for activities that require paid professional instructors, and membership ($2 per family per year) is required for participation in any Informal Education activity. Activities include summer day camp, game rooms, leadership development groups, special events, and classes such as sewing, citizenship, English as a second language, guitar, typing, dancing, and music. All activities are scheduled for the convenience of participants.

2. PASADENA AREA PROGRAMS

Established over 35 years ago, this program was the first Community Chest supported agency to operate in the Pasadena, South Houston and Deer Park areas. This program, which began as a recreation program, has played a significant role in the development of public and private community services for the 75 square mile area it serves. Services are currently offered at three sites -- W.D. Cleveland Building, 720 Fairmont Parkway, Pasadena; David Coronado Community Center, 1106 Joseph, Pasadena; and, Allison Park, 4400 Almeda-Genoa, Southeast Houston. Six separate programs are currently provided -- Information and Referral, Informal Education, Early School Admission; Summer Day Camp, After-School Day Care and Facilities Provision.

The Information and Referral program is a resource and coordination service for individuals and families, community services and groups. Program activities include researching and maintaining a current service resource file; assisting families and individuals to identify and assess needs; aiding clients to explore and use their own and available community resources; and, advocating on behalf of clients with service providers. Support services include outreach, home visits, follow-up, and limited transportation. The primary area served is the area within the Pasadena and Deer Park Independent School Districts, however, residency is not a requirement to receive services.

The Informal Education Program provides education, enrichment and recreation activities which enhance individual growth and development. Activities are developed based on the interests and needs of residents. Among the activities being offered are physical fitness, ceramics, English as a second language, elementary tutoring, food co-ops, swimming, and field trips. A fee is charged for most classes, as well as a $6.00 yearly family membership.

The Early School Admission Program prepares non-English speaking, 4-year-old children for entry into the public school system, by providing them with educational and social development opportunities. An average of 40 children attend this half-day program daily.

Summer Day Camp provides educational, recreational and enrichment experiences daily for elementary school age children who need supervised activities during the summer. Many of the 86 children who participate in the program are from single or two parent working families. The program is almost completely self-supporting through the collection of weekly fees. Scholarships are available for those families who need the service and are unable to pay the full fee.

The After-School Day Care Program provides child care for up to 24 children in grades 1-5, who have nobody at home to provide after school care. Children are transported from school to the center each day at 2 p.m., where they remain until 6 p.m. Daily activities include educational games, arts and crafts, sports and field trips. The weekly fee is $23 for one child and $21 for each additional child. Limited financial assistance is available for families unable to pay the full fee.

Facilities Provision is provided at the Cleveland and Coronado Centers, and Allison Park. Facility space is leased to a variety of human service agencies that offer needed services to families, community groups and organizations for social, recreational and cultural events. A fee is charged for the use of the facilities.

3. LAPORTE AREA PROGRAMS

Services are provided to residents of the 66 square mile area that includes LaPorte, Seabrook, Morgan's Point and Shore Acres. Operating since 1952, this Neighborhood Center is the only United Way Agency with an office in the area and is located at 911 South 8th Street, LaPorte.

The Informal Education Program provides classes, activities and special events for residents of all ages. Activities offered include dance classes, physical fitness, art classes, microwave cooking, and photography. Classes are offered at four locations -- LaPorte Area office, 911 South 8th Street, LaPorte; Evelyn Kennedy Civic Center, 610 San Jacinto, LaPorte; Klein Retreat, 1010 Bayshore Drive, LaPorte; and Seabrook Community Center, 1210 Anders, Seabrook.

Information and Referral offers assistance to telephone and walk-in requests for emergency and non-emergency services; outreach to identify potential clients; assessing clients' needs in the office or in their homes; developing services plans and identifying resources; making referrals; and, following-up. Community donations of canned and packaged food stock an emergency food pantry, and the local Inter-Church Council provides limited funds for families having financial crises.

Facilities Provision is available at the Klein Retreat. Overlooking Galveston Bay, the Klein Retreat provides an informal and relaxed setting near the Houston metropolitan area which is available for day, overnight or weekend use by families, other NCI programs, special interest groups, and organizations. The Retreat accommodates up to 50 people over-night, has a fully equipped kitchen, an outdoor covered pavilion, and a variety of indoor and outdoor games. For overnight stays, a minimum fee of $100 per day or $7 per person (whichever is greater) is charged.

4. SOUTHEAST HOUSTON AREA PROGRAMS

NCI has been providing services to residents of the South Park and Sunnyside areas since 1966. Informal Education, Facilities Provision and a Senior Citizens Program are offered at the Harbach-Ripley Neighborhood Center at 6225 Northdale.

Informal Education programs offered include food co-ops, drama, English as a second language, sewing classes, physical fitness, structured recreation activities and socials, leadership development, a game room and special cultural events.

Facilities Provision leases space to families, groups, agencies and organizations for social and cultural events, and for meetings. Recreational facilities are available to all area residents and include an indoor gym, softball field and golf driving range.

The Senior Citizens Program is funded by the Area Agency on Aging and provides transportation, recreation, arts and crafts, field trips, case management and a hot meal to an average of 60 senior citizens daily who attend the program. In addition meals are taken to 40 home bound senior citizens daily.

HOSPITAL TRANSPORTATION PROGRAM

This program provides transportation services to outpatients with no other source of transportation and are receiving cancer and kidney dialysis treatments at hospitals in the Texas Medical Center. Individuals receiving this service are referred by way of each hospital's social service department, and pay a minimal fee of $1.00 per trip.

ENERGY ASSISTANCE PROGRAM

The Energy Assistance Program assists the elderly, special hardship cases and low income individuals with the payment of utility bills. In 1983 this program was funded by three sources -- the Texas Department of Human Resources, Entex and the Houston Lighting and Power Company. The amount of financial assistance varies, depending upon the funding source, but may be as high as $90.00 per month. Currently, the H.L.& P. sponsored program -- SHARE -- is the only assistance program operating, and serves the elderly and special hardship cases with H.L.& P. bills.

HOUSTON JUNIOR FORUM NURSERY

This pre-school program is located in the Magnolia Park area of Houston. Children in this program are provided with a half-day program geared to language development and preparation for public school. Daily enrollment is limited to 90 4-year-old children, who for the most part are from Spanish speaking families and live near the facility. Families pay a fee of $7.00 per week per child.

YOUTH DEVELOPMENT PROGRAM

The Youth Development Program, funded by the City of Houston's Community Development Department (CD), provides services to deter delinquent behavior and promote positive social behavior in 10-to-16-year-old youths. Services offered include individualized assessment; case management; group discussion sessions; parent meetings; and, structured enrichment activities such as tutoring, career exploration, informal education classes, field trips, and recreation. The program operates after-school with 60 youth divided into small groups. Participants must live in one of three Community Development target areas -- Magnolia, Sunnyside, or South Park areas.

12/15/83

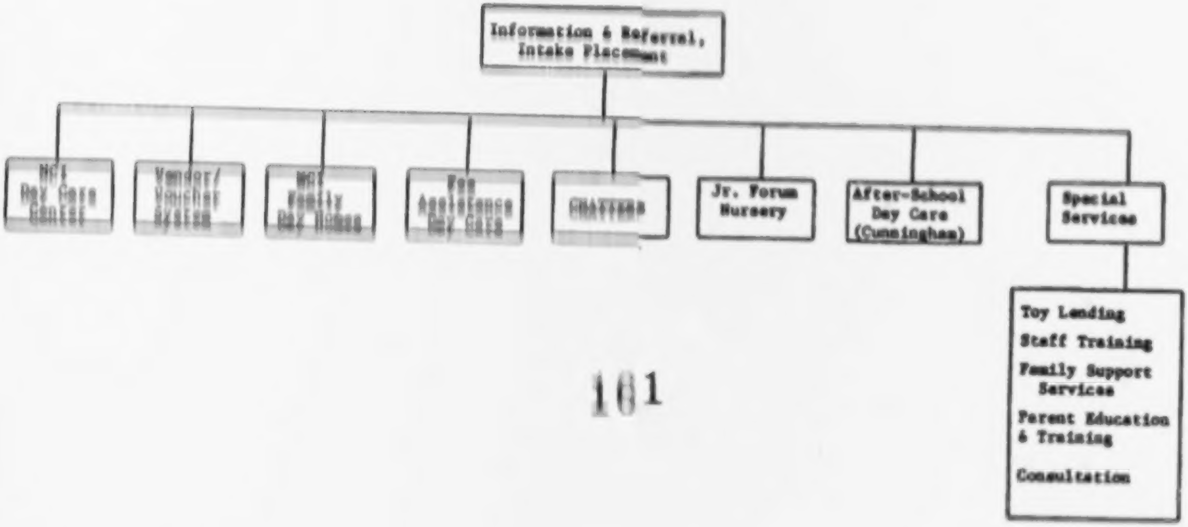
Neighborhood Centers, Inc.
Geographic Distribution of Day Care

Number Licensed Centers	Geographic Area	Number Served 1/1/83-6/30/83	Number Waiting
245	Acres Homes/Northwest	284	107
124	Northeast	428	105
40	Third Ward (77004)	83	34
135	East End/Fifth Ward	327	112
130	Sunnyside/South Park/Southeast	433	211
103	Southwest/Spring Branch	581	178
57	Heights/Downtown	83	14
64	Pasadena	98	20

1/3/84

NEIGHBORHOOD CENTERS, INC.

DAY CARE SYSTEM


Information & Referral, Intake Placement
NCI Day Care Center
Vendor/ Voucher System
NCI Family Day Homes
Fee Assistance Day Care
CHATTERS
Jr. Forum Nursery
After-School Day Care (Cunningham)
Special Services
Toy Lending
Staff Training
Family Support Services
Parent Education & Training
Consultation

United Way of Texas
[illegible] Austin Texas [illegible] • [illegible] Bldg. • [illegible] Streets • [illegible]

CHILD DAY CARE IN TEXAS : A UNITED WAY PERSPECTIVE

Prepared by the
United Way of Texas

For Presentation To
House Human Services Committee
68th Texas Legislature

November 10, 1983

CHILD DAY CARE IN TEXAS : A UNITED WAY PERSPECTIVE

A B S T R A C T

The following report was prepared by the United Way of Texas at the request of the House Human Services Committee of the 68th Texas Legislature. Its findings were presented in formal testimony to the Committee on November 10, 1983. The report is a joint effort between the United Way of Texas and a number of local United Way organizations in Texas. Specific attention is given to four local United Way studies: Houston, El Paso, Fort Worth and Midland. Information about other local United Ways is mainly contained in the "attachments" at the end of the report. Highlights of the report are as follows:

- Funding
  - One of the primary funding sources for child day care in Texas is Title XX/Social Services Block Grant funding. The original 1975 appropriation was $2.5 billion nationally. In 1981, the federal Budget Reconciliation Act turned Title XX of the Social Security Act into the Social Services Block Grant, and reduced the funding to $2.4 billion. Only last week, around the first of November, 1983, did Congress raise the appropriation to almost $2.7 billion, with estimates being that Texas will receive around $170 million of that amount. Even this latest increase, however, essentially just restores the program to the level of funding it received in 1977. When the effects of inflation are considered, the funding for this program has been severly decreased over the years.
  - One of the main effects of the limited amount of federal funding for child day care programs in Texas has been that services have been reduced statewide, stringent fee systems have been established, and other funding sources like United Way have been strained severely. While the United Way's commitment to child day care is as strong as ever, it and other funding sources need increased help from the state and others in meeting the child day care needs of this state.
  - As shown on Attachments "D" and "E" at the end of the report, there is a strong interdependence among the various funding sources for child day care in Texas, and the funding of this program is a true case of "public/private partnership" at work. However, when funding from any one entity is decreased, all other interrelated funding sources feel the effects. For this reason, it is critical that the communication levels among the various funding sources be open and active. One example of this would be for the state to specifically consult with some of the other major funders of the local match monies for child day care before recommending to the Legislature that the local match monies be dramatically increased, as was almost the case in 1983.
- Licensing
  - The vast majority of child care is provided in the home (80%). The cause for alarm, however, is in realizing that almost all (90%) of these homes are unlicensed or unregistered. This is despite the fact that family day homes in Texas are at least required to register with the Texas Department of Human Resources (TDHR).

Licensing of child day care centers in Texas has been hampered by the inability of TDHR to get needed state monies for licensing staff. There has been a 23% reduction in staff, despite a 279% increase in the number of facilities to be licensed (from 7,000 in 1975 to 26,500 in 1983).

- Findings of Local Needs Assessments

a. United Way of the Texas Gulf Coast (Houston)

Most requests for care in day care centers in Houston are for Infant Care (49% of requests for care). However, most centers in Houston do not provide care for infants under the age of 18 months. In addition, the cost of infant care is higher than that for other children. The cost rose from an average of $42/week in 1981 to $47.50/week in 1982; the cost for preschoolers age 2-5 was $35/week in 1981 and $40.50 in 1982. The study also pointed out that TDHR standards for child care create an economic disincentive to provide programs for infants, causing few centers to be interested in filling this unmet need by providing more infant care.

TDHR pays for child day care slots through two types of arrangements: contracting for slots, and paying for them whether they are filled each day or not; and through "agreements". The level of reimbursement for contract slots is higher ($8.83 per child per day) than that for agreement slots ($6.40 flat rate for a full day and $4.16 for half day). The average TDHR reimbursement rate is $32 per child per day, and yet, as was noted above, the actual cost of providing care is much higher. Centers wanting to remain in business must find ways to cut cost, but the only meaningful ways are through cuts in staff and food -- neither being a viable option. In addition, most centers have raised fee structures as high as they can. The only answer seems to be more money from outside funding sources, such as the state.

b. United Way of El Paso County

As compared to other health and human services in the El Paso service area, child day care needs are being met better than most other needs. What is mainly being met, however, is routine child care for children without special needs. Unmet needs include:

- There are few day care programs for handicapped children;
- There are insufficient day care programs for Infants;
- There are insufficient programs for infants and children, from low income families, who do not qualify for AFDC, but are too poor to pay;
- There is no program dealing with care for homebound children with temporary problems, except for physician referrals for homemaker or home-health services; and
- No program provides respite care for homebound handicapped children, except for commercial pay-as-you-go services and services for MHMR clients, and these are very limited.

c. United Way of Metropolitan Tarrant County (Fort Worth)

- In Tarrant County approximately 8,000 or 75% of the pre-school children who may need subsidized day care are not enrolled.

- In northwest Tarrant County and southwest Tarrant County, there is no subsidized day care.

- For the city of Fort Worth, approximately 66% of the need is unmet.

- In southeast Tarrant County, around 94% of the children needing subsidized day care are not receiving it; in northeast Tarrant county 90% are not receiving care.

- In all of Tarrant County, there are around 19,444 households (both low-income needing subsidized day care and those who are not low income) with as many as 40,000 children who need child day care.

- Participants at a child care conference in 1982 identified the following as areas, among others, that need expanding:

  - Evaluate the quality of current programs;
  - Provide more summer and school vacation care (possible sponsored by employers);
  - Provide more programs for special need children;
  - Provide more programs for children from low-income high risk areas;
  - Expand services into areas of the county outside of Fort Worth;
  - Make greater use of existing community resources and facilities, such as churches, businesses, etc.;
  - Provide more programs in schools; and
  - Put more emphasis on survival skills or self-care programs.

- New program directions recommended by the conference participants are:

  - Establish an Information and Referral (I&R) service to direct parents to child care resources, especially after-school-care resources;
  - Establish a broker or vendor system to enable parents to select their own day care center by providing a subsidy or voucher; and
  - Draw upon the resources of senior citizens and/or neighborhood teenagers to assist in child care.

d. United Way of Midland

- Over 43% of Midland women are in the workforce; of these, over 37% are between the ages of 20-34, the high child-bearing years.

- 1,800 working women in Midland are single heads-of-household with children under age 18 in the home.

- There are over 8,000 children age 4 and younger in Midland; there are another 6,700 ages 5-9.

- The YMCA had over 200 children enrolled in its after-school program in 1981.

- The most critical two needs for child care in Midland are: (1) affordable child day care (costs for Infants run as high as $60 a week, and $50 a week for other age children); and (2) the need for more Infant care (of the 50 centers in Midland, only 17 care for Infants).

- Other need areas are: services for handicapped children, and shelter facilities for young children and teens (runaways, substance abusers, abused and neglected children and youth, etc.).

e. Report from United Way of Wichita Falls

Unfortunately, materials from the United Way of Wichita Falls were not received in time to include them in this report. We would, however, like to include some telephone comments from that organization in this testimony, and will make their report available to the committee as soon as it is received by our office.

In 1982, a Child Care Task Force Study was conducted in Wichita Falls. This study contains a number of statistics on the child care population, number of working women needing child care, and other such data. It points out that while the number of working women, single heads of household in Wichita Falls is increasing at a rate of 10% per year, the state appropriations for child care have been decreasing.

The reports also points out that with the current minimum wage in Texas, there is no incentive for women to go to work instead of going on welfare.

The report also notes that many agencies that have traditionally been "youth activity/recreation" program agencies are today mostly in the business of providing substitute child care for working parents. This is true of agencies like the Girls Club, Boys Club, YMCA, YWCA, and so forth.

- CONCLUSIONS/RECOMMENDATIONS

In conclusion, based on the previous review of Child Day Care from the perspective of the United Way of Texas, and three major local United Ways in Texas, we feel the following recommendations can now be made to the House Human Services Committee. We present these as initial and not final recommendations, since it is the purpose of this Committee's interim work to study these and other recommendations before making its final report to the 69th Texas Legislature in January, 1985.

1. Funding of child day care programs in Texas is truly a "public/private partnership", with funding coming from federal, state and local government, corporations, foundations, churches, United Way and other charity organizations, and private individuals. As such, it is imperative that decisions made by the state executive and legislative branches must be made in consultation and coordination with these other funding sources. An example of what can happen when this is not done was the situation during the 68th Legislature where requirements for local match monies were to be dramatically increased (15% in 1984 and 25% in 1985), and yet major providers of that local match (United Way provides around 63%, fees and other provide the remaining 37%) were never consulted and asked if this was even possible. Furthermore, the way the budget was reflected for state state legislative policy-makers to consider it (i.e. by combining all federal, state, and local funds into one total — giving the impression that the state was increasing its funding when it was actually proposing to decrease it) must be revised before the 69th Legislature convenes, and preferably should be revised on all legislative and executive office budget forms.

2. State governmental funding of Child Day Care programs in Texas should be increased by the 69th Texas Legislature, at a minimum to a level consistent with that recommended in 1981 by the 67th Legislature. This would increase the total funding from the current $36.5 million in FY 1984 to at least $36.9 million in FY 1986 and $40.7 million in FY 1987. If the Texas state budget capacity increases by the time the 69th Legislature is in session, and further increases are possible, they should be seriously considered. Even if the state's revenue does not rise significantly, increases in child day care should be considered, since this will be an indication that more women are working and the needs for day care are even greater.

3. The Legislature should appropriate more funds for Child Care Licensing. Furthermore, if state licensing of Family Day Homes is not feasible for cost or other reasons, the state should consider some other means for inspecting and approving the quality of such care. One such means might be granting day care associations or large providers of day care services this authority, with a reasonable amount of funding to do so.

4. There is need for community-based, comprehensive Information and Referral (I&R) programs to include a listing of all available child care resources in a community, with details about cost, hours, number of children served, vacancies for care, etc. Such a referral network must be community-based, and should also include information on centers and day care homes that have been approved for care as "quality" establishments.

5. The TDHR reimbursement rate for Child Day Care should [illegible] the intent of seeing whether it is reasonable, [illegible] staff, food, rent, and other costs incurred by service providing centers.

6. The State of Texas should reexamine its staff/child ratio requirements and other aspects of licensed child care to determine if they are adequate and reasonable to ensure quality care for Texas children.

7. The state should examine other avenues to facilitate [illegible] funding child day care in Texas, including but not limited to more corporate work-based child care, in order to free up more state resources for low-income subsidized care. This is particularly critical considering the lack of available quality child care in the state, the dramatically increasing cost of such care, and the inability of low-income and moderate-income persons to purchase such care. Incentives should be provided to corporations to provide such care to their employees through vouchers or purchased services or service at the work-site; such services should be included in employee "benefit package" provided by employers.

8. The state should examine ways for increasing the availability of Infant Care, and remove any disincentives that might exist in state law or regulations which make the provision of such care too costly for service providers.

9. The state should examine ways for providing care for "latch-key" children after school and during the summer months, so that such children are not left unattended. Such an arrangement might be feasible with public schools.

10. The Texas Department of Human Resources (TDHR) should review their policies relating to payment for child care slots through "contracts" and "agreements" with centers, in an effort to make the payment as cost effective as possible. TDHR should also study the feasibility of encouraging other service agencies to use empty "slots" each day that TDHR has already paid for on a contract basis. For example, in one local community in Texas, such slots are offered on an availability basis to mothers in family violence shelters, to give them a chance to find a home, look for a job, or just get some rest.

11. The state should investigate the need for increased child day care for handicapped and other special need children, and design and fund appropriate programs to better meet these needs.

The two major issues that have emerged in the 1980's in Texas with respect to Child Day Care are: (A) Funding, and (B) Licensing. These two issues continue to receive the most attention by state and local policy makers, and will, therefore, be the focus of this historical overview.

A. Funding

The major governmental funding source for child day care programs in Texas has historically been Title XX of the Social Security Act. Federal funds for Title XX have remained almost the same since the start of this program in 1975. The original federal appropriation in 1975 was $2.5 billion. An additional $200 million was added later for child day care. Despite numerous attempts to increase social services funding, Title XX has actually had its funding decreased over the years. For example, in 1977 it had a total budget of $2.7 billion, but the 1981 Budget Reconciliation Act, which turned Title XX into the "Social Services Block Grant" only authorized $2.4 billion in FY 1982. Only recently has the funding been restored to almost $2.7 billion, with Texas' share estimated to be around $170 million.

Prior to the 1981 Budget Reconciliation Act, the Texas Legislature had budgeted [illegible] million in federal, state and local funds for child day care services funded by the Texas Department of Human Resources (TDHR). With the enactment of the federal act, and the associated federal budget cuts, however, TDHR had to adjust this amount to [illegible] million on October 1, 1981. It is important to keep in mind that the 67th Texas Legislature had actually appropriated [illegible] million for child day care programs in FY 1982 and [illegible] million for FY 1983. These amounts were never realized, however, because the 1981 Reconciliation Act and federal budget cutbacks accompanying it came in August of 1981, after the Legislature had adjourned in June of 1981.

In 1983, the 68th Texas Legislature approved an increase in Child Day Care funds from the [illegible] million FY 1983 level to [illegible] million in FY 1984 and [illegible] million in FY 1985. The TDHR Board was able to raise the FY 1984 level in August, 1983 at the Board meeting approving the FY 1984 operating budget for the Department to [illegible] million by using other available funds, and hopes to add some funds next year to the FY 1985 level in a similar way. This increased funding is still a long way, however, from the $60.7 million that the Legislature intended to fund in FY 1983 before the federal cuts.

Child Care Licensing funding has also had its problems. The 67th Legislature in 1981 decreased the funding from $6.3 million in FY 1981 to $5.5 million in FY 1982 and $5.7 million in FY 1983, mainly because of state legislation (SB 173) which exempted from licensing requirements religious-sponsored and privately operated schools which meet certain criteria and choose to be exempt. This exemption applied to about 200 previously-licensed facilities. The law also removed from TDHR regulatory authority all facilities operated by the Texas Youth Council (TYC) and facilities providing services solely for TYC; this exemption applied to about 60 previously-licensed facilities. For FY 1983 TDHR's Child Care Licensing budget was $6.04 million; in FY 1984 it will be $6.77 million — just slightly above the FY 1981 level. This funding shortage will be discussed in more detail later in this report when the licensing issue is discussed in more depth.

Federalism" initiative, was a major policy change. This policy change was to turn over more responsibility to state and local, governmental and voluntary sectors. This was a dual responsibility. The federal government would increase the flexibility of states in determing which programs to give priority attention to, and would remove requirements contained in federal regulations governing matching funds and other areas previously required for compliance with the federal programs. At the same time, however, it would require more state and local responsibility for funding these programs.

The figures detailed earlier illustrate that at least in the Child Day Care program, the state of Texas sought to increase its fiscal responsibility. It also took advantage of the increased regulatory authority by establishing more flexible local financial matching requirements. TDHR granted its regional offices the authority to set flexible local match requirements for child day care programs funded under the new Social Services Block Grant. As a result, local match's now vary from "0%" in one community to "[illegible]" in another. Even within a community, the local match monies required from a contractor with TDHR will vary. While this increased flexibility is helpful in providing services where they are needed, it makes it very difficult to determine who is actually funding child day care in Texas, and in what amounts.

Further complicating the picture is the fact that there is a great deal of non-Title XX/Social Services Block Grant funded child day care in Texas. For example, a total of over [illegible] million was reported as being provided in 1982 for Child Day Care by only 11 local United Ways in Texas (see Attachment "A"). This figure is particularly interesting when compared to the [illegible] million that TDHR obtained in FY 1983 as local match monies for child day care statewide. It is also interesting to note that [illegible] of this [illegible] million came from local United Ways in Texas, as also illustrated on Attachment "A", which is based on a survey that was conducted by the United Way of Texas for legislative testimony presented in 1983 to the 68th Texas Legislature.

Getting back to the issue of local responsibility for social services programs, we are pleased to note that local United Ways in Texas have responded to the federal budget cuts by greatly increasing their financial investment in Child Day Care programs. Attachment "B" notes that $2.5 million was lost in child day care funds in only 13 Texas communities and only in agencies supported partly through local United Way funds. In an attempt to respond to these cuts, between 1980 and 1983, in 25 local United Ways surveyed, there was a net increase in funding for child day care of 66.7%, as noted on Attachment "C". While some of the surveyed communities had to decrease their funds, the chart illustrates increases such as the following: 171.4% in Tom Green County United Way; 165.8% at the Dallas United Way; 133.8% at the Victoria United Way; 133.1% at the Coastal Bend United Way in Corpus Christi; and 101.5% at the Brazoria County United Way in Angleton. These figures clearly reflect the commitment that local United Ways in Texas have to increase child care services at a time when they are needed more than ever before. While it is still too early to tell how the Fall, 1983 United Way campaigns in Texas will fare, as the effects of the slow economy and national recession are taking their toll on fund-raising capabilities even in Texas, it is assumed that child day care will continue to be a top priority service of most local United Ways in Texas.

In conclusion, the Child Care system in Texas is funded through a wide variety of sources, and each of these sources is dependent on the other to make the service "system" actually work. One of the primary funding sources for child

[illegible]
still exists, and is being increased yearly. The local match monies come from a variety of sources, but around 63% of the local match is from United Way organizations around the state. In addition to Title XX funded day care, however, there is a wide variety of other funding sources. Attachment "D" graphically illustrates the variety of funding sources that make child day care a perfect example of a "public/private partnership" at work. Attachment "E" illustrates the interdependence of these public and private funding sources. The point to be made here is that if funding is decreased by any one source, all other sources feel the repercussions. That is why it is so critical that the public and private, governmental, voluntary and business sectors work together on the issue of how to fund child care in Texas.

B. Licensing

The second major issue affecting Child Day Care programs in Texas over the years has been that of licensing of such programs. At the heart of the licensing issue is the variety and number of child day care arrangements in Texas. Essentially, there are two types of child care in which a child is in care away from his/her home: (1) Family Day Homes, and (2) Child Day Care Centers. A third type of arrangement for child care is one in which a child is in care in his/her own home. (5)

1. Family Day Homes

Individuals in Texas that use their homes to take care of children for a profit are supposed to register with the Texas Department of Human Resources (TDHR). However, the vast majority of caretakers do not register. A 1978 study by [illegible] suggests that 90% of day care is unlicensed or unregistered. (6) Since both a registered and nonregistered home provides similar child care in the caretaker's home, the following definition will be used for both homes (7):

> "A Registered Family Home is a facility that regularly provides care in the caretaker's own residence for not more than 6 children under 14 years of age, excluding the caretaker's own children, and that provides care after school hours for not more that six additional elementary school siblings of the other children given care, but the total number of children, including caretaker's own, does not exceed 12 at any given time." (8)

The main difference between a registered and nonregistered home is that a registered home must pass a state licensing check list which includes health, building, and equipment standards. A nonregistered home has no such check list. (9)

Several studies have indicated that home care is the major type (80%) of child care utilized by parents. Since unregistered homes are the most widely used of the day homes, it is difficult to estimate their actual number. The cause for alarm, however, is in realizing that the vast majority of child care is provided in the home (80%), and the vast majority of these homes are unlicensed or unregistered (90%). The table below illustrates the findings of these studies graphically.

Type of Care			Investigating Organization			
			Low Spinler '68	SRZK '71	WESTAT '71	UNCO '75
Home Care	Own Home	by relatives	32%	27%	35%	18%
		by nonrelative	21%	5%	7%	16%
	Care-taker Home	by relatives	15%	20%	16%	23%
		by nonrelative	16%	26%	19%	25%
Center Care			6%	4%	11%	6%
Other Care			1%	18%	6%	12%
By Mother While Working			13%		5%	

7. Child Day Care Centers

Like day homes, child day care centers must be registered. They also must be licensed and must pass a similar but more comprehensive check-list than day homes. The following definition is taken from the Texas Minimum Standards for Day Care Centers: "A day care center is a child care facility which provides care for more than 12 children under 14 years of age for less than 24 hours a day."

Child Day Care Centers are divided by TDHR Licensing Division into "Day Care Centers" and "Kindergarten and Nursery Schools". The kindergarten and nursery schools are more education-oriented, while the day care centers' primary purpose is to serve as substitute caretakers. Both types may provide meals and group recreational activities for the children. (10)

The agencies providing service have been divided into: (a) Private, for profit agencies, and (b) not-for-profit agencies.

a. Private, For Profit Agencies

Although most of the centers are owned and managed by individuals or day care chains, the corporate sector also operates day care facilities for its employees in many cases. Day care centers are also in operation at several educational institutions around the state. The Corporate Child Development Fund of Texas seeks to expand corporate child care, particulary in rural areas of the state which are less able to generate United Way and other local funds to be used as match monies for governmental child care funds. (11)

b. Not-for-Profit Agencies

Funding sources for these agencies include, among others: Title XX/Social Services Block Grant monies, provided through contract with TDHR; the federally-funded Head Start program; private donors such as United Way; church organizations; and client fees. (12)

During the 1960's and early 1970's, with the proliferation of the federal governmental support of day care, quality standards were required as a prerequisite to receipt of these funds. Federal Interagency Day Care Standards often exceeded the federal dollars available to maintain such quality. Growing concern with competition and diminishing federal dollars resulted in the elimination of "federal standards". Day care vendors receiving federal funds were only required to meet those standards established by the respective state agencies, i.e. TDHR in Texas. (13)

As was noted earlier, all child care facilities must register with TDHR Licensing Division. Day care centers are required by law to obtain a license. Every facility must meet requirements which are set by the state in the Texas Minimum Standards for Day Care Centers. Facilities must meet adequate staff, space, equipment, safety, and health requirements. (14)

As was also noted earlier, the standards applicable to family day homes are much less detailed than those for centers. Day homes are not licensed but are registered with the TDHR Licensing Division. In some cases, day homes may be registered with a licensed child-placing agency, such as a Day Care Association. (15)

Day care centers in Texas must be inspected twice a year by TDHR Licensing Division. However, the division has experienced a 25% reduction in staff, due to the previously mentioned decrease in federal funds, despite a 279% increase in the number of facilities to be licensed (from 7,000 in 1975 to 26,500 in 1983). See Attachment "C" illustration for a graphic of this problem.

Child Watch: Looking Out for America's Children

san antonio coalition for children, youth and families

OVERVIEW

Children do not vote, lobby or make campaign contributions. Children's needs are all to often shortchanged in decisions made by government. Federal budget cuts and numerous program consolidations contained in the Omnibus Budget Reconciliation Act of 1981 will have an impact on the lives of America's children. Since the mid-1960's, millions of families have relied on publicly funded child care centers, health programs, income supports and nutrition programs to help them meet their children's basic needs; many of these programs have helped to make children healthier, better fed, and better equipped to lead productive lives. Governmental data collection systems and reporting mechanisms will provide statistical information on changes in participation rates and program dollars spent as a result of the new public policy decisions. But the American public also needs to learn what impact these changes will have on actual children and their families in communities across the nation.

Child Watch is a citizen involvement project designed to help fill the information gap. It requires a team of citizen volunteers committed to two critical tasks:

> identifying and interviewing the key people in our community responsible for administering programs for children, offering services to children and their families, or advocating for improved services to children and their families; and
>
> developing a public information component to let others -- elected officials, civic and religious groups, the general public -- know what Child Watch has discovered.

Child Watch encompasses four basic children's program areas - Aid to Families with Dependent Children, Child Care, Health Care and Child Welfare Services, including foster care and adoption and protective services for abused and neglected children. These are areas of critical importance to vulnerable children.

Child Watch: Looking Out for America's Children

san antonio coalition for children, youth and families
HONORARY CHAIRMAN : HENRY CISNEROS

SAN ANTONIO CHILD WATCH ADVISORY COUNCIL

The following community leaders have given their endorsement to the San Antonio Child Watch Project:

County Judge Albert Bustamante
Lila Cockrell, Executive Director, United San Antonio
Betty Culbertson, Chairman, Child Development Department, San Antonio College
Reverend Marvin Doerfler, Archdiocese of San Antonio
Kenneth Kramer, Ph.D., Psychology Department, Trinity University
Kenneth B. Leeds, Chairman, Bexar County Child Welfare Board
Elizabeth Lende, President, Junior League of San Antonio
Earl Lewis, Ph.D., Department of Urban Studies, Trinity University
Jensie Madden, President, San Antonio Association for the Education of Young Children
Kevin Moriarity, Director, Human Resources, City of San Antonio
Betty Murray, Human Resources Manager, Alamo Area Council of Governments
Howard J. Nolan, Executive Director, United Way of San Antonio
Al J. Notzon, III, Executive Director, Alamo Area Council of Governments
Homero Rodriguez, MSW, Regional Administrator, Texas Department of Human Resources
Blanche A. Russ, Executive Director, Parent/Child, Inc.
John Etta Slaughter, Department of Social Sciences, St. Philip's College
Martha M. Tarpley, President, Texas Coalition for Juvenile Justice
Louis B. Tomaino, Ph.D., Dean, Worden School of Social Service, OLLU
Charlotte Travis, President, 5th District PTA
Lupe Torres Venema, Board of Directors, San Antonio Housing Authority
Ben D. White, Executive Director, Bexar County Medical Society
Mary W. White, President, League of Women Voters
E. Gordon Whyte, Ph.D., Chairman, Coalition for Children, Youth and Families

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CHILD CARE

In the area of child care, Child Watch found that federal budget cuts have had great impact. Title XX funds, used to subsidize child care programs for low income families, were reduced by 50%. San Antonio is very fortunate that the city government and the United Way replaced 80% of the lost funds.[1]

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[1] See Appendix B

Yet, even with this local assistance, services provided by these centers have been affected.

The federal child care food program funds were cut by 50% to 80%. Centers which had relied upon CETA workers as aides lost these workers when the CETA program was dropped. Policy changes have caused Title XX centers to severely limit eligibility requirements, leading to high turnover rates and eliminating after-school care for children 11 years old and older. Once a child is dropped, it isn't likely that he will be readmitted when he regains eligibility, because of the long waiting lists for these programs.

San Antonio abounds with children who are eligible for subsidized care, but for whom such care is simply not available. According to the 1970 census, 27,000 San Antonio families were eligible for subsidized child care. Yet, in March of 1982 there were only 1,609 slots available. More than 25,000 San Antonio children who are eligible for subsidized child care are not receiving it because it doesn't exist for them. The same situation holds true for Head Start. Then there are the multitudes of children whose parents make too much money to qualify for subsidized care, but can't afford to pay for private care. These children are left in a variety of situation - with relatives, neighbors, older siblings, and in startling and ever-increasing numbers, are left at home alone, with no supervision whatsoever!

Meanwhile, the existing subsidized centers are facing tighter budgets. TDHR has instituted a policy of competitive bidding, which encourages centers to underbid each other in order to receive state funds. This tends to keep operating budgets at such a low level that very little money is available for meeting even the most basic needs.

The federal staff/child ratio requirements for Title XX programs were dropped, leaving them to the governance of state or local minimum standards. In Texas, this meant a great increase in the number of children to be cared for by each staff member. For instance, one caregiver who had been assigned 5 three-year-olds is now attempting to care for 15 three-year-olds. This change has significantly affected the quality of care available to children.

Compounding these problems is the fact that the state child care licensing staff has been drastically cut. In Region 9, covering 21 counties, there are now only 14 licensing representatives to monitor 1,877 facilities. The representatives are able to make only two monitoring visits per facility per year. Meanwhile, the number of complaints against child care centers has been increasing, especially in the area of child abuse. With such heavy caseloads, it is difficult for licensing workers to effectively monitor child care centers.[1]

Clearly, more and improved child care services are needed in San Antonio. The areas of greatest need identified in this section of the Child Watch study are: 1) more facilities which provide for infant, school-aged and handicapped child care, and 2) more employer involvement and assistance in meeting their workers' child care needs. Since states are no longer going to be required to meet local match for subsidized child care, the burden on local resources is a large and growing concern.

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[1] See Appendix C

One long term solution might be for a local United Way to establish a "Day Care Help Line" for working parents. Some areas have started volunteer-staffed "Phone-friend" programs to help "latch-key" children cope with problems that crop up after school when they're home alone.

Federal budget cuts and changes in federal policy have affected the children of our community in the past year, and indications are that there will be even more of an impact in 1983-84.

○